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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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WORLD WHEAT PROSPECTS

Summary

The surplus of wheat available for export or carry-over in the United States, Canada, Argentina and Australia, together with United Kingdom port stocks and quantities afloat, is estimated by the Bureau of Agricultural Economics to have been about 175,000,000 bushels smaller on January 1 than it was a year earlier. In the exporting countries of the Danube Basin the surplus appears to be about 35,000,000 bushels larger than a year earlier, however. No satisfactory means of calculating the Russian exportable surplus is available. Russian exports to date have been but little larger than last season though the 1933 Russian crop is estimated by official Russian sources to be the largest since the war.

The total of world shipments of wheat in the principal exporting countries thus far this season has been somewhat smaller than last year, and the July to June total for 1934 is also expected to be below the corresponding figures for 1933. There was, however, a marked increase in world shipments during the third week of January.

Wheat prices at Liverpool and the principal exporting markets showed little change during December and the first 3 weeks of January. In the United States, however, there was a rise of about 5 cents per bushel in wheat prices just prior to the middle of January.

Preliminary reports from 12 countries which include about 40 percent of the wheat area of the Northern Hemisphere, outside Russia and China, indicate a slight reduction of wheat sowings for the 1934 crop. In the United States prospects are for a small crop of winter wheat due to a combination of reduced acreage and poor condition of the crop. A winter wheat

crop of 435,000,000 bushels is to be expected on the acreage seeded to winter wheat if the relationship between December 1 condition and abandonment and yields corresponds to that of past years.

Crop Conditions

Preliminary reports from 12 countries which represent about 40 percent of the NorthernHHemisphere wheat area, excluding Russia and China, indicate a slightly smaller wheat area sown for the 1934 harvest than during the past season.

The area sown to wheat in the United States in the fall of 1933 was estimated at 41,002,000 acres which is 4.0 percent less than the area sown in the fall of 1932 and 7.2 percent less than the average area seeded for the crops of 1930-1932. The condition of the crop on December 1 indicated that the abandonment during the winter will probably be heavy. Based upon past relationships, it appears that abandonment of the 1933 seedings will be in the neighborhood of 20 percent. A comparatively low yield per acre is also indicated by the condition. Past relationships of December condition to yield indicate a crop of winter wheat to be harvested in 1934 of about 435,000,000 bushels.

The data so far available for Europe show a decrease of about 5 percent compared with 1933. The total area in the 9 countries for which estimates have been received is 39,371,000 acres compared with 41,316,000 acres for the 1933 harvest and 40,218,000 acres for the 1932 harvest. The area sown in the Danube Basin is estimated at about 17,300,000 acres compared with 18,962,000 acres in the fall of 1932. The shorter seeding period, due to the late corn harvesting and unusually early frosts, is considered to be the main cause for the reduction. France reports a decrease of about 3 percent and Germany 2 percent. No official estimate of the area sown in Italy is available, but an unofficial report stated that the area is about 10 percent less than last year. England and Wales, Lithuania and Czechoslovakia are the only countries which have so far reported any increase.

The first estimate of the area sown in the Punjab, India is 10,646,000 acres compared with 9,172,000 acres in 1933 and 10,758,000 in 1932.

The United States official report of fall sowings and condition of wheat as of December 1 indicates that the area of wheat seeded in the fall of 1933 was 41,002,000 acres. This is 4 percent less than the revised estimate of the acreage seeded in the fall of 1932. The estimated acreage seeded in the years 1929 to 1931 averaged 44,186,000, and seeding in the fall of 1933 was 7.2 percent smaller than this average. This compares with a reduction of 15 percent from the average acreage seeded in the years 1929 to 1930 required of farmers who apply for wheat allotments. It is to be borne in mind, however, that many acreage reduction contracts with farmers were approved for a smaller acreage than had already been seeded. Hence, it is to be expected that a considerable amount of the area sown in the fall of 1933 will be utilized for pasture, or hay, or else plowed under in order that the farmers may comply with the terms of their wheat allotment contracts.

Table 1.- Wheat: Winter area in specified countries, 1931-32 to 1934-35

Country	Crop year			
	1931-32	1932-33	1933-34	1934-35
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
United States	45,240	42,348	42,692	41,002
Canada	560	568	595	631
Total (2)	45,800	42,916	43,287	41,633
Bulgaria	3,028	3,057	2,882	1/ 2,718
Czechoslovakia	1,962	1,997	2,160	2,223
England and Wales	1,197	1,288	1,660	2/ 1,760
France	11,725	12,973	13,130	12,771
Germany	4,653	4,882	5,011	4,917
Hungary	4,058	3,878	1/ 3,879	1/ 3,706
Lithuania	379	420	393	403
Rumania	7,863	6,581	1/ 7,042	1/ 6,178
Yugoslavia	5,275	5,142	1/ 5,159	1/ 4,695
Total (9)	40,140	40,218	41,316	39,371
Punjab, India	10,709	10,758	9,172	10,646
Total(12)	96,649	93,892	93,775	91,650
Estimated Northern Hemisphere total winter and spring area, excluding Russia & China	214,100	218,100	206,300	

Compiled from official sources and reports of the International Institute of Agriculture except as otherwise noted.

1/ Estimated in the Belgrade office of the Bureau of Agricultural Economics.

2/ Reported to be 6 percent above the 1933 area.

The condition of winter wheat as of December 1 is indicated to be only 74.3 percent of normal as compared with a 10-year average condition of 83.5 percent and last year's figure of 68.9 percent. The poor condition of the crop was due in large measure to lack of moisture in important wheat regions of the Great Plains. Judging from past relationships, it is to be expected that the abandonment of 1933 seedings would be in the neighborhood of 20 percent. A low yield is also likely as a result of the poor condition of the crop so that under normal conditions a crop of about 435,000,000 bushels for 1934 would seem likely as compared with last year's crop of 351,000,000 bushels. The figure of 435,000,000 bushels does not take account of the reduction in acreage for harvest which will presumably be made in order to comply with allotment contracts. Taking into consideration all factors which are now apparent, it seems reasonable to expect that if spring wheat yields should be about average on the acreage of last year, the total crop of wheat for the United States in 1934 would be but little over 650,000,000 bushels. This would compare with 527,000,000 harvested last year, and an average of 860,000,000 bushels harvested in the 5 years 1928 to 1932.

World Trade and Exportable Surpluses

Present estimates indicate that the surplus of wheat available for export or carry-over in the United States, Canada, Argentina and Australia, together with United Kingdom port stocks and quantities afloat, was about 175,000,000 smaller on January 1 than it was a year previous. While the estimates of the surplus may be changed by revisions of crop estimates particularly in the Southern Hemisphere countries, the difference is substantially enough to be very significant. A year ago, the January 1, 1933 surplus was indicated to be 1,024,000,000 bushels. Various revisions of the data have resulted in that figure now being 1,082,000,000 bushels, whereas present estimates of the surplus as of January 1, 1934, indicate a total of 907,000,000 bushels.

In addition to the surplus in the above-mentioned countries, quantities available for export in the Danube Basin and Russia must be considered as being of importance. In the Danube Basin there apparently remained on January 1, 1934, a surplus of wheat available for export or for carry-over of about 35,000,000 bushels compared with practically none available as of the corresponding date a year earlier. In the case of Russia no satisfactory figure of export surplus can be arrived at, partly because of uncertainties as to estimates of the crop, but also because Russian wheat consumption varies greatly. It should be noted, nevertheless, that the 1933 Russian crop is officially estimated at 1,019,000 bushels, the largest figure reported in wheat production in any year. At one time the 1930 crop, which is now estimated at 989,000,000 bushels, was placed at 1,084,000,000 bushels. Whatever the size of the Russian crop, exports to date during the current season have not been much above last year, amounting for the period July 1 to January 13 to 21,752,000 bushels compared with 16,256,000 last year. During the corresponding period of 1930-31 Russian shipments amounted to 72,112,000 bushels.

Thus far this season total shipments of wheat from the principal exporting countries have fallen considerably short of last year's total for the corresponding period. From July 1 to January 1, total shipments as reported by trade sources amounted to approximately 260,000,000 bushels compared with 283,000,000 during the corresponding period of last year. Shipments during the second half of the crop year are also expected to be somewhat smaller than they were last year. Even with a somewhat smaller level of world shipments, however, it is expected that as a result of smaller surpluses of wheat available as of January 1 in the exporting countries outside Russia, the July 1 carry-over in these countries will be smaller than the carry-over as of July 1, 1933.

The accompanying table shows surpluses of wheat available for export during the period January to June, or for carry-over on July 1 in the four exporting countries, together with United Kingdom port stocks and quantities of wheat afloat. The largest decrease in the surplus is for the United States where the available surplus as of January 1 is estimated at 305,000,000 bushels compared with 400,000,000 bushels surplus available a year earlier. The exportable surplus of Canada is indicated to have been decreased by about 45,000,000 bushels, from 305,000,000 to 260,000,000 bushels, whereas in Australia there is a decrease of 37,000,000 bushels, from 161,000,000 bushels in 1933 to 124,000,000 in 1934. Argentina is the only one of the four countries which shows an increase. Her surplus

available as of January 1 for export and carry-over is indicated to be 162,000,000 bushels compared with 151,000,000 a year previous.

Table 2.- Wheat: Surplus for export or carry-over in the principal exporting countries, United Kingdom port stocks, and stocks afloat, January 1, 1932 - 1934

Country	Jan. 1		
	1932	1933	1934
	Million bushels	Million bushels	Million bushels
United States			
Domestic wheat	437	400	305
Canadian wheat	25	14	14
Canada			
Domestic wheat	230	305	260
United States wheat	29	7	2
Argentina	140	151	162
Australia	152	161	124
Total	1,013	1,038	867
United Kingdom port stocks			
Wheat	22	7	(19
Flour (as wheat)	2	1	(
Afloat for United Kingdom	13	20	(
Afloat for Continent	9	11	(21
Afloat for orders	8	5	(
Total	54	44	40
Grand total	1,067	1,082	907

During the week ended January 20, world shipments of wheat increased to approximately 12,000,000 bushels. Thus far this season they averaged very close to 10,000,000 bushels weekly, and have shown exceptionally small week-to-week variations from this level. Only twice have they fallen as low as 8,000,000 bushels and only twice have they risen as high as 12,000,000 bushels. The increased shipments during the third week of June were contributed largely by Australia and Argentina. Shipments from North America declined during late November and early December, and, though they rose somewhat in the second week of January, it is to be expected that during the next 3 months the bulk of world shipments will come from Argentina and Australia. With a surplus of approximately 285,000,000 bushels between them, these two countries could presumably supply about as many bushels as the importing countries are likely to take during the months January to June. Of course, by no means all of the import takings will be from the Southern Hemisphere as there is a special demand for the stronger Canadian wheats in many of the European countries and considerable quantities of United States grown wheat may be shipped to the Orient during the period January to June.

United States Wheat Supplies as of January 1

Available data concerning wheat stocks as of January 1 indicate that the total amount of domestic wheat in the United States as of that date was in the vicinity of 120,000,000 bushels less than the stocks of a year previous. The total of stocks on farms, commercial stocks, tentative estimates of merchant mill stocks and Murray's estimate of country elevator and mill holdings amounts to 581,000,000 bushels for January 1 this year, which compares with a total in the same positions of 700,000,000 bushels a year earlier, 765,000,000 in 1932, and 723,000,000 bushels in 1931.

It is to be noted that there is probably some duplication involved in the figures as given, but that there is also some wheat which is not included in the total. Nevertheless, this total of stocks may be considered closely comparable to the total which is regularly used in arriving at the carry-over as of July 1. The various sources used in arriving at the two totals are the same except that the January 1 figures given above of country elevator and mill stocks are estimates of Nat. C. Murray of Clement Curtis and Company whereas the July 1 figures of carry-over include the Department of Agriculture estimates of interior elevator and mill stocks.

The principal duplication which may occur in these figures is in the merchant mill stocks and in the country elevator and mill stocks. The merchant mill stocks used represent the Bureau of the Census figures of wheat stored in mills and attached mill elevators raised to an assumed 100 percent of merchant mill stocks. Insofar as the country elevator and mill stocks include any such wheat in merchant mills, duplication is involved. However, it is believed, that the stocks in country elevators and mills consist largely of wheat stored in country elevators and in custom mills. There may be duplication also in the figure for wheat "in transit and bought to arrive." There is presumably some wheat bought to arrive by mills which is included in the stocks held by country elevators and terminal elevators. However, in view of the fact that no figure is included for wheat in transit to commission houses and grain dealers, it is believed that the figure for wheat "in transit and bought to arrive" by mills is smaller rather than larger than the total amount of wheat actually in transit to buyers and commission dealers of all sorts. It is to be noted that the merchant mill stocks here used do not include stocks held by mills in country elevators, in public terminal elevators, or in private elevators not attached to mills. It is assumed that such stocks are included in the country elevator and mill stocks estimates and in the figures of commercial stocks. Whatever the duplication or omissions involved, the significant point is that stocks included cover most of the wheat existing in the United States, and are compiled on a comparable basis from year to year. Hence, the year-to-year changes are highly significant, and their accuracy depends primarily upon the accuracy of the individual items included and not upon the extent of duplication or omissions involved.

The accompanying table shows figures of estimated stocks in the different positions as of January 1 for the years 1931 to 1934 inclusive. The mill stocks for 1934 are based upon reports of the Millers' National Federation, since the Bureau of the Census report of stocks as of December 1, 1933 is not yet available. Some revision in the January 1, 1934 figures is to be expected when the Bureau of the Census data are available.

Table 3.- Wheat stocks in the United States on January 1, 1931-1934

Item	1931	1932	1933	1934
	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.
On farms	258.9	322.5	272.6	194.1
"Commercial"	199.6	226.9	168.5	132.5
Country elevator mills (Murray)	137.0	88.0	124.0	100.0
Merchant mills:				
For own account in mills and attached to mills	95.0	97.0	112.0	(130.0)
For others	20.0	18.7	10.2	(12.0)
In transit ("in transit to and bought-to-arrive" by merchant mills)	12.9	11.5	13.1	(12.0)
Total stocks	723.4	764.6	700.4	(580.6)

The amount of the United States wheat stocks which will be utilized during the period January to June 1934 is uncertain, primarily because of uncertainties as to the amount of wheat which may be exported or milled for export as flour. Except in the event of some unusual circumstances which will tend to increase milling during the spring months as was done last year by rapidly rising wheat prices, and by the imminence of the processing tax, it is to be expected that about 230,000,000 bushels of wheat will be ground for domestic use and about 27,000,000 bushels will be used for seed. Unless feeding is larger than usual it may be expected to amount to only about 15,000,000 bushels. The total of the above items is 272,000,000 bushels, and subtracting it from estimated January 1 stocks, leave a remainder of 309,000,000 bushels available for export or carry-over.

These figures check quite closely with those obtained when from a total supply available for the crop year there is subtracted July to December exports and an allowance for domestic utilization for the entire year. Such a calculation indicates a balance as of January 1 available for export or carry-over of 305,000,000 bushels.

Wheat stocks estimated as of January 1 similarly correspond quite closely with the estimated disposition of total supplies during the period July to December. The total supply as of July 1, including a carry-over of 389,000,000 bushels, and the new crop of 527,000,000 totals 916,000,000 bushels. The estimated utilization from July to December includes 243,000,000 bushels milled, 50,000,000 bushels for seed, 35,000,000 for feed and loss, and 5,000,000 bushels of wheat grain exports, a total of 333,000,000 bushels. This subtracted from 916,000,000 bushels total supply leaves 583,000,000 bushels as remainder which compares with 581,000,000 estimated January 1 stocks.

World Wheat Production

The 1933-34 world wheat crop, excluding Russia and China, is now estimated at 3,613,000,000 bushels compared with 3,805,000,000 bushels in 1932. This estimate is based on official estimates from countries which represent about 98 percent of the world wheat crop and unofficial estimates for the countries representing the remaining 2 percent. The official estimate of the Russian crop is 1,018,893,000 bushels compared with 744,052,000 bushels in 1932. If these estimates of the Russian crops are added to the above world totals, the world production (excluding China) in 1933 was 4,632,000,000 bushels compared with 4,549,000,000 bushels in 1932.

The final estimate of the 1933 wheat production in United States is 527,413,000 bushels, a decrease of 29 percent from the 1932 crop of 744,076,000 bushels, and a decrease of 43 percent from the 1931 crop of 932,221,000 bushels. The final estimate of the Canadian crop issued January 19 placed the production at 269,729,000 bushels which is 39 percent below the 1932 crop of 443,061,000 bushels.

Weather conditions in Europe were unusually favorable during the growing and harvesting seasons and many countries produced record or nearly record crops. The total European production, excluding Russia, is estimated at 1,699,000,000 bushels compared with 1,490,000,000 bushels in 1932.

Production in six North African countries is 16 percent below 1932 and in the five Asiatic countries for which estimates are available is 8 percent above 1932.

Recent reports from both Australia and Argentina confirm the earlier estimates. A larger crop has been harvested in Argentina, but in Australia the production is the lowest since 1929-30.

Table 4.- Wheat: Production in specified countries, 1929-30 to 1933-34

Country	1929-30	1930-31	1931-32	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	822,180	889,702	932,221	744,076	527,413
Canada	304,520	420,672	321,325	443,061	269,729
Mexico	11,333	11,446	16,226	9,658	11,753
Total (3)	1,138,033	1,321,820	1,269,772	1,196,795	808,895
EUROPE					
England and Wales	47,451	39,960	35,896	41,253	58,755
Scotland	2,165	2,128	1,792	2,240	3,472
Northern Ireland	142	171	106	121	227
Irish Free State	1,184	1,092	781	831	1/ (1,000)
Norway	750	720	592	749	770
Sweden	19,011	20,819	17,033	26,500	29,204
Denmark	11,772	10,216	10,053	10,997	11,390
Netherlands	5,467	6,056	6,751	12,837	14,874
Belgium	13,225	13,236	13,817	15,376	13,617
France	337,252	228,105	264,117	333,524	338,665

Continued -

Table 4.- Wheat: Production in specified countries, 1929-30 to 1933-34 Cont'd

Country	1929-30	1930-31	1931-32	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
EUROPE (Cont'd)					
Spain	154,245	146,700	134,427	184,207	131,937
Luxemburg	275	442	406	719	846
Portugal	10,636	13,531	12,999	18,138	14,825
Italy	260,125	210,071	244,415	276,922	297,633
Switzerland	4,207	3,605	4,045	3,998	4,799
Germany	123,062	139,217	155,546	183,830	205,920
Austria	11,559	12,008	11,009	12,195	17,391
Czechoslovakia	52,902	50,606	41,232	53,737	72,895
Greece	11,434	9,709	11,228	20,263	28,580
Poland	65,862	82,321	83,220	49,472	68,342
Lithuania	9,329	11,327	8,335	9,423	8,727
Latvia	2,336	4,062	3,388	5,292	6,725
Estonia	1,260	1,635	1,738	2,085	2,324
Finland	765	866	1,121	1,483	1,598
Malta	293	303	277	301	305
Total (25)	1,146,709	1,008,906	1,064,324	1,266,493	1,334,821
Bulgaria	33,195	57,317	63,831	50,553	58,858
Hungary	74,985	84,339	72,550	64,463	90,146
Rumania	99,753	130,771	135,300	55,537	119,085
Yugoslavia	94,999	80,326	98,789	53,444	96,584
Total (4)	302,932	352,753	370,470	223,997	364,673
Total Europe (29)	1,449,641	1,361,659	1,434,794	1,490,490	1,699,494
AFRICA					
Algeria	33,307	32,442	25,649	29,237	30,479
Morocco	31,764	21,302	29,783	27,970	27,006
Tunis	12,309	10,398	13,963	17,453	9,186
Egypt	45,228	39,753	46,073	52,586	39,951
Eritrea	35	44	29	147	110
Kenya	978	648	290	212	528
Total (6)	123,621	104,587	115,787	127,605	107,260
ASIA					
Syria and Lebanon	16,842	19,378	14,209	10,382	12,191
India	320,768	390,843	347,424	336,896	352,875
Japan	30,496	29,537	30,892	31,336	38,595
Chosen	8,320	8,985	8,341	8,576	9,023
Turkey	99,900	91,322	102,426	71,135	80,835
Total (5)	476,326	540,065	503,292	458,325	493,519
Total, 43 countries	3,187,621	3,328,131	3,323,645	3,273,215	3,109,168
Argentina	162,576	232,285	219,696	235,378	256,175
Australia	126,885	213,594	190,612	213,288	160,000
Union of South Africa	10,626	9,297	13,713	10,627	9,370
Uruguay	13,157	7,369	11,259	5,407	13,676
Total (4)	313,244	462,545	435,280	464,700	439,221
Total, 47 countries	3,500,865	3,790,676	3,758,925	3,737,915	3,548,389
Est. world production excl. Russia & China	3,570,000	3,847,000	3,822,000	3,805,000	3,613,000
Russia	693,634	939,161	786,300	744,052	1,018,893

Division of Statistical and Historical Research.

1/ Unofficial.

Prices

From late November to early January wheat prices in the United States were more steady than for any like period since the middle of May. From January 9 to January 15, however, there was a rise of about 5 cents per bushel which has been well maintained up to January 25. The relatively stable prices which prevailed from late November to early January may be attributed in part, at least, to the comparatively stable value of the dollar relative to foreign currencies. The rise of wheat prices which took place just prior to the middle of January was apparently due to the proposal to stabilize the dollar at a new level.

Wheat prices in foreign markets did not share the rise which took place in the United States from January 10 to 15. At Liverpool, May futures, when measured in terms of gold cents of the old par value, continued at approximately 43 cents per bushel up to January 15, while in the week which followed there was a decline to approximately 42 cents per bushel. On January 25, May futures at Liverpool closed at 41.7 gold cents per bushel, or 66.5 cents per bushel in terms of current exchange. On the same date, May futures at Chicago closed at 89 cents per bushel.

At Winnipeg and Buenos Aires price movements have been quite similar to those at Liverpool, no material rise having occurred during January. In the highly protected markets of continental Europe price movements have been largely dependent upon the peculiar conditions within each country. At Berlin, Paris and Milan, however, prices declined somewhat during December, but then made some recovery in January.

World prices generally continued to be depressed by large supplies available in the exporting countries and very restricted takings of wheat by import countries. Consideration is still being given by the exporting countries with the possibility of fixing world prices through international cooperation. In the absence of some such scheme being put in operation, there seems to be little likelihood of world prices rising materially during the remainder of the current market season, unless as the harvesting season for the Northern Hemisphere approaches it appears that the 1934 crop of the world will be reduced below last year's level.

Table 5.- Wheat: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1932	1933	1932	1933	1932	1933	1932	1933	1932	1933	1932	1933
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Oct.30 3/	51	95	45	89	52	90	46	71	51	79	4/ 40	4/ 6[illegible]
Dec.30 3/	44	81	38	74	42	76	37	62	46	67	4/ 36	4/ 5[illegible]
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	193[illegible]
Jan. 6	49	84	43	77	47	80	42	66	51	68	39	5[illegible]
13	48	88	42	80	46	83	40	68	49	68	39	5[illegible]
20	47	91	41	83	46	86	40	68	49	68	38	5[illegible]

1/ Conversions at noon buying rate of exchange. 2/ Prices are of day previous to other prices. 3/ High and low for period (Oct. 30-Dec. 30, 1933) (Oct. 31-Dec. 31, 1932). 4/ February futures.

Table 6.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western white Seattle 1/	
	1932	1933	1932	1933	1932	1933	1932	1933	1932	1933	1932	1933
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Nov.4 2/	51	90	44	87	54	91	52	104	48	92	46	77
Dec.23 2/	45	82	41	79	48	83	47	94	46	84	43	72
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
Jan.6	46	82	43	81	48	84	49	99	48	89	44	75
13	50	84	45	82	52	86	55	92	50	90	46	74
20	48	89	43	86	51	91	52	105	49	93	46	77

1/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
2/ High and low for period (Nov. 4 - Dec. 23, 1932 and 1933).

Table 7.- Wheat: Price per bushel at specified markets, in terms of United States currency, by weeks, November 1933-January 1934

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 5/	Great Britain 6/	Berlin 7/	Paris 8/	Milan 8/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Nov. 4	84.5	86.0	57.2	54.7	59.9	60.2	182	199	
11	84.2	86.3	60.0	56.8	68.3	62.8	187	205	179
18	87.4	90.9	62.2	58.0	74.2	65.1	199	217	191
25	83.8	87.5	61.0	57.2	69.8	65.1	196	214	187
Dec. 2	79.6	85.7	55.4	52.8	67.0	63.5	-	-	-
9	81.1	84.1	55.1	48.0	-	62.9	196	206	181
16	81.5	83.6	54.8	52.2	66.4	61.4	191	201	182
23	78.6	82.5	53.9	51.6	73.1	60.5	192	203	191
30	80.5	84.2	55.3	51.6	57.8	60.5		205	195
Jan. 6	81.2	84.4	56.4	51.6		60.7		211	197
13	82.0	86.4	58.1	51.6					
20	85.8	91.1	60.6						

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday, Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter. 2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern. 4/ Near futures. 5/ All sales of imported parcels. 6/ Home-grown wheat in England and Wales. 7/ Decreed minimum price for free station Brandenburg, certain districts. 8/ Domestic.

The Continental European Wheat Market Situation During December 1/

Despite the approaching holidays, trade on the Continent in both domestic and foreign wheats remained very quiet during December. A fair volume of foreign wheat was turned over in Belgium and Holland but grain movements in central Europe were greatly handicapped by the freezing up of inland waterways.

Domestic wheat prices in most of the continental countries were generally stable during the first 3 weeks of December though here and there slight weaknesses developed. Rotterdam futures prices of foreign grain were slightly downward during most of the month, as a result of a slow flour business and reports of unsatisfactory consumption.

Stocks in some of the principal ports have shown a decline but internal stocks in most countries are far above average.

1/ Based on a report of Donald F. Christy, Assistant Agricultural Attache, Berlin, Germany, December 23, 1933.

Continental European Stocks of Wheat

Item	1932 Middle of Nov.	1932 Middle of Dec.	1933 Middle of Nov.	1933 Middle of Dec.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Antwerp	1,500	1,500	2,000	1,600
Rotterdam	4,100	5,200	4,700	4,200
Wheat stocks 12 principal continental ports (includes above two ports)	5,800	6,300	8,900	
Berlin (wheat & flour)	1/1,600	2/1,600	1/2,000	2/2,200
Hamburg (rough estimate)	1,100	500	400	300
Bremen and Brake	22	11	59	
German farm stocks	113,600	2/107,400		2/119,600
German "Secondhand stocks" 3/	1/ 31,100	2/ 30,000	1/43,100	2/4/ 45,100
Swedish mill stocks of wheat	2,900	3,000		

1/ November 1. 2/ December 1. 3/ In warehouses and flour mills (wheat and flour); these totals are estimated to include 95 percent of the secondhand stocks actually existing and, therefore, must contain most of the Berlin, Hamburg, and Bremen-Brake data. 4/ Preliminary.

Germany

Business on the German wheat and flour markets during the month of December was very quiet and trading was hampered by the freezing of internal waterways. Farm offerings increased, but, despite the approaching holiday, flour consumption was disappointing and the demand for wheat on the part of the flour mills was of a hand-to-mouth character.

As a result of these developments, wheat prices in consuming centers, which had recently shonw some strength, declined and the frequent quotation note "offer only" indicated the reluctance of buyers to commit themselves.

Imports of foreign wheat were steady, but the quantities were moderate. German flour millers are interested only in the best Manitoba wheat and there is no demand for either United States or Russian wheat. Imports so far this season have been quite steady, ranging from 2,000,000 to 2,800,000 bushels monthly. Exports of German wheat have recently declined as a result of the higher prices asked by exporters. These higher prices are due in turn to a drop in the value of wheat export certificates which declined from 149.00 Marks per metric ton ($1.59 per bushel at the then current exchange) on November 20 to 144.50 Marks per ton ($1.46 per bushel) on December 20. The little German wheat that was sold during the past 3 weeks went to England. November exports of German wheat however amounted to 4,800,000 bushels - the highest figure since the beginning of the current season, and considerably above November 1932 and 1931.

With the exception of rye, second-hand stocks in German flour mills and warehouses showed a further rise during November whereas last November there was a decline. Second-hand stocks of wheat and wheat flour on December 1, 1933 reached a record total of 39,315,000 bushels and 1,541,000 barrels respectively compared with last year's respective figures of 23,993,000 bushels and 1,383,000 barrels. The accumulation of stocks during December, however, was probably slower as the frozen waterways handicapped shipping.

German stocks of grain and flour in mills and warehouses 1/
(Second-hand stocks)

	Unit	Nov. 30 1932	Sept. 30 1933	Oct. 31 1933	Nov. 30,1933 preliminary
Wheat.....1,000	bushels	23,997	33,047	36,420	38,371
Wheat flour	" barrels	1,378	1,362	1,535	1,539
Rye	" bushels	20,408	31,664	31,849	31,195
Rye flour	" barrels	832	802	918	908
Oats	" bushels	5,994	4,492	5,250	5,498
Barley	" bushels	8,456	8,552	9,893	9,751

1/ These data are estimated to include 95 percent of all second-hand stock existing in Germany.

Total stocks on German farms, November 30 1/

	Winter wheat		Spring wheat		Winter rye	
	1932	1933	1932	1933	1932	1933
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Crop.....	160,057	181,039	23,773	24,880	325,604	339,958
Stocks-						
Oct.15 ...	107,548	122,796	19,584	21,679	222,389	232,664
Nov.30....	89,617	100,309	17,821	19,327	180,069	190,698

1/ Based on percentage stock estimates of German Agricultural Council and final crop estimates of Statistical office.

Shifting the farm stocks estimates to the end of the month has now been completed and the first data on the new basis is for November 30. It will be noted that data are also supplied for November 30, 1932, though just how these data were obtained, is not made clear.

A study of the available data on production, stocks and foreign trade in wheat indicates that for the 5 months ended November 30, 1933, consumption of wheat in Germany was about 4,500,000 bushels greater than during the same period in 1932. Should consumption continue at this rate, about 11,000,000 bushels more of wheat will be used this season than last, but this would still leave a carry-over of considerable size.

A similar study of the rye situation indicates that rye consumption to date has exceeded that for the same period last year by about 3,000,000 bushels. This is a much smaller increase than expected, but, nevertheless, the rye carry-over is not likely to prove burdensome.

The increased consumption of both wheat and rye is probably due to increased feeding of these grains to livestock, a practice always resorted to in years of large crops; it is also resulting partly from the restrictions on imports of other feedstuffs. Nevertheless, more extensive feeding will be necessary if a burdensome carry-over into the next crop year is to be prevented. So far the government has refused to carry out any cheapening action for grain for feeding such as was done last year, but several proposals have been made for increasing the use of feed wheat, including the compulsory sale by farmers of a certain percentage of their crop at reduced prices.

Wheat and wheat flour

	1932 Million bushels	1933 Million bushels
Crop.	183.8	205.9
Farm stocks June 15	5.9	14.6
Second-hand stocks June 30	15.6	22.8
Total supplies July 1	205.3	243.3
Farm stocks November 30	107.4	119.6
Second-hand stocks November 30	30.0	45.1
Total stocks November 30	137.4	164.7
Total supplies July 1 less stocks November 30.	67.9	78.6
Net imports + or exports -	+ 3.1	- 3.1
Apparent disappearance to November 30	71.0	75.5

Rye and rye flour

	1932 Million bushels	1933 Million bushels
Crop	329.3	343.6
Farm stocks June 15	11.7	25.1
Second-hand stocks June 30	11.5	19.1
Total supplies July 1	352.5	387.8
Farm stocks November 30	180.1	190.7
Second-hand stocks November 30 . . .	24.4	35.6
Total stocks November 30	204.5	226.3
Total supplies July 1 less stocks November 30	148.0	161.5
Net imports + or exports -	+6.6	-3.3
Apparent disappearance to November 30	154.6	158.2

The Prussian markets have recently accepted basic average hectoliter weights for wheat and rye, upon which to base the fixed prices. The following table gives the basic weights at the principal markets converted to pounds per bushel.

Basic natural weights per bushel for wheat and rye on 12 Prussian wholesale markets

	Wheat	Rye
	Pounds	Pounds
Berlin	59.0 - 59.8	55.9 - 56.7
Breslau	58.7	55.9
Frankfurt on Main . . .	59.0 - 59.8	55.2 - 55.9
Halle	58.7	55.2
Cologne	59.0	55.9
Konigsberg	58.3	55.5
Magdeburg	59.8 - 60.6	55.9 - 56.7
Stettin	59.0 - 59.8	55.9 - 56.7
Dortmund - Paderborn . .	58.3 - 59.0	55.2 - 55.9
Hanover	59.8 - 60.6	55.9 - 56.7
Kassel	59.8 - 60.6	55.9 - 56.7
Kiel	60.6	56.7

The main details of the German-Polish rye agreement mentioned in our last report have in the meantime been published. In accordance with this agreement, German exports of rye and rye flour beginning with December 15 will be under the control of the Reich Grain Office at Berlin, and Polish exports are under the control of the State Grain Office. Unless exporters submit their contracts and offers to the respective government control offices, contracts and offers will be invalid. In other words, the respective government offices must approve of all offers and sales before they can become effective. The two government control offices must also agree upon the minimum prices to be asked. The inflexibility of the machinery thus set up might conceivably handicap export trading in rye and flour. In Germany, for example, export prices are adjusted in accordance with the value of the export certificates, and it is therefore difficult to do business very far ahead. The Polish export trade is not so handicapped as the export bounty there is a fixed amount.

Rumanian press reports recently pointed out the difficulty that has arisen between Germany and Rumania in the fulfillment of the trade agreement concluded by these two countries in August 1933. Under this agreement a German consortium, mainly the German Dye Trust, obligated itself to purchase 3,700,000 bushels of Rumanian wheat f.o.b. Braila at a price of 10 percent above the current world market prices, as well as 441,000 short tons of barley and corn at similar terms. The value of the contract was estimated at 1,000,000,000 lei ($9,775,000 converted at current exchange on January 4, 1934). The German consortium, in return, was given the opportunity to export to Rumania chemical products, such as dyes, drugs, etc., to the value of about 540,000,000 lei ($5,278,500 converted at exchange on January 4, 1934). An important condition in the agreement was the obligation assumed by the German consortium to buy 150,000,000 lei ($1,466,250 converted at exchange on January 4, 1934) worth of grain each month. This obligation, however, was not fully complied with by the Germans, largely because of the restricted wheat and corn supplies in Rumania this year. The Germans, therefore, proposed to take other products in the place of wheat and corn, but this is opposed by the Rumanians because it would mean selling to Germany products which would have been exported anyway, whereas the original intention had been to create possibilities for "additional exports".

France

Conditions on the French wheat market continued very unsatisfactory during December. Flour business was slow and the difficulties experienced with the fixed prices were more pronounced with numerous reports of underselling by as much as 20 percent. Business in foreign wheat for temporary admission improved at the beginning of the month due to purchases of No. 1 Hard Manitoba by export flour mills. The market for durum was very quiet and only some small lots of No. 1 C. W. Amber and Oranie (North African) were taken up by Marseille semolina factories.

Exports of French domestic wheat are completely stopped. The Minister of Agriculture recently announced that, as a result of the low world market prices, no export licenses would be granted for the time being. This means that exporters will not receive the 50 francs per 100 kilograms (84 cents per bushel converted at exchange on January 4, 1934) premium for wheat exported.

Modification of the wheat act mentioned in our last wheat report appears to be near acceptance. Some modifications as compared with the original draft have occurred.

Holland and Belgium

December purchases of foreign wheat by Holland and Belgium were of fair volume although business was distinctly quiet. Belgium purchased rather significant quantities of No. 2 Manitoba, as well as old crop Plates and some Bulgarian wheat. Dutch interest was largely limited to No.2 Manitoba and Hungarian wheats. Only insignificant quantities of foreign wheat were purchased for account of the German Rhineland. There were practically no sales of German wheat because of increased prices asked.

According to an ordinance of the Dutch Government, dated November 25, 1933, the monopoly import fee on imported grain will be refunded if the grain is reexported.

Czechoslovakia

The completion of field work has resulted in increased offers of grain on the part of farmers, and the government was forced to intervene in order to prevent a further decline in prices. Mill demand continues small being confined to urgent hand-to-mouth requirements as flour sales are very poor and considerable stocks are now accumulated in the hands of the mills. The reticence of mills and the trade has been increased by uncertainty regarding future government measures. There have recently been rumors about the establishment of a grain monopoly, following the publication of a report by the Prague Agricultural Academy which is in favor of such a move as a means of stabilizing prices. The price of wheat, according to this scheme, would be fixed at 150 Czechoslovakian crowns (191 cents per bushel), that of rye, barley and oats at 130, 125 and 110 crowns respectively (154, 127 and 75 cents per bushel converted at current rate of exchange on January 4, 1934). In order to maintain prices on this level, the grain acreage would be immediately decreased and fixed each year thereafter by the Ministry of Agriculture. As the above grain prices are considerably higher than present ones, it is calculated that agricultural returns would be increased by some 900,000,000 Czechoslovakian crowns ($42,000,000 converted at exchange on January 4, 1934). Under this plan the importation of feedstuffs would also be placed under government control. These plans find considerable support in agricultural circles but both the grain trade and industrial circles are energetically opposed.

Other relief plans are also being discussed, as, for instance, the introduction of fixed grain prices and the creation of an export synidicate for oats. Membership in this synidcate would be limited to firms that have exported at least 110 short tons a year in the past.

Austria

An improved demand on the part of flour mills, probably in view of the approaching holidays, was noticed on the Austrian wheat market around the middle of December but, on the whole, business continued on a limited scale. However, domestic offers have not been pressing and prices were maintained on previous levels. Some business in overseas wheat was also effected, whereas Hungarian wheat was neglected.

It has recently been announced by the Hungarian Chamber of Commerce that the Austrian preference contingent of 1,837,000 bushels of wheat granted to Hungary for exportation before the end of December 1933, is nearing exhaustion. Recent rumors indicate that future Hungarian wheat exports to Austria will no longer be made through the issuance of grain certificates, but will be allotted by the Hungarian Government to certain large grain firms as a monopoly right. This method would naturally completely cut off the Austrian grain trade, and the latter have requested the Austrian Minister of Commerce not to agree to a change in the contingent system.

Poland

Unsatisfactory demand on the part of mills who are reported to have large unsold stocks of flour has adversely affected the Polish grain market. News of a possible increase of the United States rye tariff also caused some concern in Poland, as considerable quantities of Polish rye have found their way to the United States this year. Polish export circles are suggesting a reduction in the Polish apple tariff in exchange for concessions to be given Polish rye.

Sweden

For the period January 1 to February 25, 1934, the State Grain Committee decided to leave the admixture quotas for domestic wheat and rye unchanged, that is for wheat 98 percent maximum and 80 percent minimum, and for rye 98 percent.

The present quota regulations leave little possibility for imports and these are confined almost entirely to Manitobas as very strong wheats are needed to mix with the soft domestic wheats. Good Swedish wheat with a natural weight of 59.8 pounds per bushel is now quoted in the free market at 16 crowns per 100 kilograms ($1.15 per bushel converted at exchange on January 4, 1934) free flour mill. The guaranteed minimum price to come in force June 1, 1934, will amount to 19 crowns for winter wheat ($1.39 per bushel at par exchange or $1.36 per bushel at current exchange on January 4, 1934), with a slight premium for domestic spring wheat which is very scarce. Swedish rye of a natural weight of 56.1 pounds per bushel is now quoted in the free market at 14.00 to 14.50 crowns per 100 kilograms (94 to 97 cents per bushel converted at exchange on January 4, 1934, free flour mill. The state-guaranteed price to come in force on June 1, 1934, is 18 crowns per 100 kilograms ($1.23 per bushel converted at par exchange or $1.20 converted at exchange on January 4). Few farmers, however, are in position to retain their crop until the higher state prices for wheat and rye become effective.

Denmark

The law for the protection of agriculture has been completed at last and was definitely approved by the parliament. The accepted draft is a compromise and contains four different parts regulating grain, meat, butter and margarine markets. The grain measures provide for minimum prices of 11 crowns per 100 kilograms (68 cents per bushel of 60 pounds converted at exchange on January 4). Imported grain is raised to this price level through the imposition of an import tax, the proceeds of which are to be distributed to farmers.

According to an ordinance of the Minister of Agriculture, who is authorized to fix the import taxes, the present import tax for wheat will be 3.30 crowns per 100 kilograms, for rye 4.90 crowns per 100 kilograms, (20.5 and 28.4 cents per bushel at exchange of January 4). It is provided that if the world market price c.i.f. Danish ports rises to 13 crowns or more per 100 kilograms, (81 cents per bushel of 60 pounds) the import taxes will be removed.

The so-called "valuta-law" was prolonged for another year, which means that the issuance of foreign exchange will be carefully controlled. Grain for breadmaking as well as for feeding purposes and also wheat flour and rye flour may be imported only on the basis of foreign exchange licenses. Around the middle of December it was announced the foreign exchange allotted importers for the importation of grain during that month would be 75 percent of the allotment for December 1932. This represents an increase over November of this year.

Switzerland

An early December report indicated that wheat prices had been rather stable. Manitoba wheat formed the bulk of imports, but Hungarian wheat was also in demand. Active business was reported in feed wheat, of which about 147,000 bushels from Germany and 331,000 bushels from France were allowed entry in the fourth quarter of 1933. It is said that negotiations for the importation of a small contingent of Plates for feeding purposes are under way.

Table 8.- Wheat including flour: Movement from principal exporting countries, 1930-31 to 1933-34

Country	Exports as given by official sources						
	Total			July 1 to date shown			
	1930-31	1931-32	1932-33	1931-32	1932-33	1933-34	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	131,475	135,797	41,211	70,214	25,087	8,062	Nov.30
Canada	267,365	199,563	267,342	120,683	172,433	122,126	Dec.31
Argentina	120,638	144,920	120,272	40,690	25,169	54,226	Dec.31
Australia	143,296	155,451	148,060	27,421	19,264	24,337	Sept30
Russia	111,780	71,829	19,183	56,797	9,616	14,278	Oct.31
Hungary	18,425	18,064	7,010	3,572	2,351	6,782	Sept30
Yugoslavia	5,332	15,365	1,169	8,294	646	380	Oct.31
Rumania	16,072	37,481	186	19,760	158	14	Sept30
Bulgaria	5,041	11,795	3,144	2,997	663	1,287	Sept30
British India (L&S)	10,197	1/ 2,913	1/ 871	1,519	389	241	Oct.31
Total	829,621	793,178	608,448	351,947	255,776	231,733	

	Shipments as given by current trade sources						
	Total		Week ended			July 1-Jan.12	
	1931-32	1932-33	Dec.30	Jan. 5	Jan.12	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	333,638	298,514	3,376	3,421	4,723	189,296	123,016
Canada, 4 markets 3/	206,258	289,257	891	1,614	1,443	188,760	121,842
United States	135,797	41,211	1,201	1,147	604	29,994	14,139
Argentina	144,572	115,412	1,974	1,055	2,406	27,616	56,656
Australia	161,288	153,400	2,941	1,034	1,981	56,036	46,761
Russia 4/	71,664	17,408	1,464	1,320	624	16,256	21,752
Danube and Bulgaria 4/	39,280	1,704	280	352	72	1,616	9,496
British India	5/ 2,913	5/ 869	0	0	0	0	0
Total 6/	753,355	587,307	10,035	7,182	9,806	290,820	257,681
Total European shipments 2/	597,976	448,672	6,576			7/ 217,360	7/ 202,352
Total ex-European shipments 2/	194,464	164,256	3,792			7/ 65,400	7/ 57,200

Division of Statistical and Historical Research. Compiled from official and trade sources.

1/ Sea trade only, land trade not reported since September 1931.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert and New Westminister.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To December 30.

Table 9.- Wheat, including flour: Net imports into European countries, 1931-32 to 1933-34

Country	1931-32	1932-33	Net imports reported: July 1 to	1932-33	1933-34
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	245	217	Nov. 30	89	97
Italy	33	13	Aug. 31	3	1
Belgium	48	41	Oct. 31	14	12
France	81	38	Oct. 31	24	6
Netherlands	31	26	Nov. 30	12	16
Germany	22	9	Nov. 30	3	1/- 3
Greece	24	20	Aug. 31	3	3
Irish Free State	20	18	Oct. 31	6	7
Switzerland	21	19	Nov. 30	7	9
Austria	14	13	Oct. 31	3	3
Czechoslovakia	20	7	Oct. 31	2	1
Denmark	17	12	Nov. 30	6	7
Norway	9	8	Nov. 30	3	4
Finland	4	4	Oct. 31	1	2
Sweden	7	4	Nov. 30	2	1
Poland	1/ -3	1/ - 1	Nov. 30	2/	2/
Portugal	2	3	July 31	1	3/
Latvia	1	3/	July 31	3/	0
Estonia	1	3/	Oct. 31	3/	3/
Spain	2	8	Oct. 31	8	2/
Total	599	459		187	166

Division of Statistical and Historical Research. Compiled from official sources.

1/ Net exports.
2/ Net exports of less than 500,000 bushels.
3/ Less than 500,000 bushels.

Table 10.- Wheat, including flour: Shipments from principal exporting regions, specified dates, 1932-33 and 1933-34

Date	Argentina		Australia		Danube		North America	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 2 -July 29	3,264	14,140	7,672	8,728	208	0	22,896	14,296
July 30-Sept. 2	3,712	16,464	5,816	8,904	0	0	26,344	20,568
Sept.3 -Sept. 30	3,368	7,896	6,228	7,548	16	1,008	25,200	17,328
Oct. 1 -Oct. 28	2,876	4,772	6,912	4,012	360	2,832	33,864	21,136
Oct. 29-Dec. 2	4,220	4,884	9,668	6,488	904	3,424	46,440	26,936
Week ended -								
Dec. 9	872	592	888	1,124	0	360	7,200	3,720
16	1,308	844	2,700	1,596	0	552	6,464	3,984
23	2,160	1,629	2,744	2,405	64	616	5,280	3,528
30	1,512	1,974	2,584	2,941	64	280	4,952	3,376
Jan. 6	1,944	1,055	4,368	1,034	0	352	3,896	3,421
13	2,380	2,406	6,456	1,981	0	72	6,760	4,723

Compiled from Broomhall's Corn Trade News.

Table 11. - United States: Exports of wheat and wheat including flour, by weeks, 1932-33 and 1933-34

Date	Wheat		Wheat flour		Wheat including flour	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 2 - July 29	1,962	21	206	169	2,931	815
July 30-Sept. 2	3,841	19	306	249	5,279	1,189
Sept.3 -Sept. 30	1,692	133	202	156	2,642	865
Oct. 1 -Oct. 28	2,030	13	209	121	3,013	581
Oct. 29-Dec. 2	2,932	932	312	165	4,399	1,707
Weeks ended -						
Dec. 9	263	385	48	57	439	653
16	85	1,240	83	53	475	1,489
23	228	783	55	43	486	985
30	234	985	55	46	492	1,201
Jan. 6	596	837	49	66	826	1,147
13	302	341	49	56	532	604

Compiled from a weekly report of the Bureau of Foreign and Domestic Commerce.

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February and March

March 27, 1934

WORLD WHEAT PROSPECTS

Summary

The surplus of wheat available for export or carry-over in the principal exporting countries continues to be well below that of last year according to the United States Bureau of Agricultural Economics. The surplus as of March 1 in the four principal exporting countries, United States, Canada, Argentina and Australia is estimated at 667,000,000 bushels compared with 917,000,000 a year earlier, and 890,000,000 in 1932. The total surplus in these four exporting countries, together with United Kingdom port stocks and stocks afloat, amounted this year to 821,000,000 bushels compared with 984,000,000 last year and 965,000,000 in 1932. However, import takings are restricted because of last year's unusually large crop in European importing countries and because of the high tariffs and other barriers against the importation of wheat by many countries. These circumstances are combining to keep prices low in the unprotected and unsubsidized wheat markets of the world. At Liverpool prices converted to terms of gold cents of the old par value have been at about 40 cents per bushel for nearly 5 months, and when converted at current rates of exchange they are now in the vicinity of 65 cents per bushel. Meanwhile wheat at Chicago is selling for around 85 to 90 cents per bushel.

The movement of new crop wheat from the Southern Hemisphere has now been underway for over 2 months. Shipments from Argentina have been running somewhat under those of last year in spite of the fact that that country's surplus for export is estimated to be larger than it was a year ago. Australian shipments have been much below last year though the

surplus available for export in that country as indicated by present estimates of the crop and probable domestic utilization was but little lower on March 1 than a year previous. The July 1 surplus was of course much smaller than was the surplus of the previous January. The United States continues to ship considerable quantities of wheat and flour from the Pacific Coast. Exports from the Atlantic and Gulf Coasts have been confined to a small amount of flour milled from domestic wheat and to flour milled in bond from Canadian wheat. Total shipments from North America have recently been averaging in the vicinity of 4,000,000 bushels weekly which is moderately below their level of a year earlier.

Total world shipments from the principal exporting countries, as reported by trade sources, declined from a high point of 13,369,000 bushels the last week of January to a low point of 8,418,000 for the week ended March 3. The average level of shipments in recent weeks has been close to 11,000,000 bushels weekly as compared with an average of 10,000,000 weekly from July to December. Last season, total world shipments during the months January to March averaged considerably higher than during the first half of the crop year, and indeed the total shipments from January to June were larger than during the previous 6 months July to December. A somewhat similar situation is expected to prevail this season, though it does not seem likely that the level of shipments during the last quarter of the year will be as much below the January to March level as was the case last year.

Estimated millings of flour in the United States indicate that although there was a marked reduction in flour output following the imposition of the wheat processing tax last July, there has been no material reduction in flour consumption. The abnormally low level of

flour output from July to October was a result of abnormally high output during the months March to June 1933. As is to be expected, current levels of flour production are lower than they have been in years past because of the reduced exports of flour. Except in the Pacific Coast regions and where mills are in position to grind Canadian wheat in bond for export, United States mills are now confined to grinding flour for domestic consumption.

Area Sown and Crop Conditions

The estimates of winter wheat area received from 20 countries indicate a slightly smaller acreage than in any of the past 3 years. The total winter wheat sowings in these countries is reported at 148,525,000 acres, a decrease of 1 percent from the 150,042,000 acres reported last year when the winter area in these countries represented over 70 percent of the estimated Northern Hemisphere total winter and spring area excluding Russia and China.

Acreage estimates are now available for 13 European countries which represent over 80 percent of the estimated European wheat acreage exclusive of Russia. The total area reported by these 14 countries (Table 1 on page 5 lists the countries included) is 66,023,000 acres, a decrease of 3 percent from the 67,979,000 acres reported by the same countries last year. The International Institute of Agriculture attributed the decrease to the unfavorable weather that prevailed in the majority of the European countries in the fall and early winter, and reported conditions at the middle of February as generally less favorable than at the same time last year. France, Germany, Italy, and Spain report smaller areas but England and Wales, Czechoslovakia, and Greece report larger areas. Agricultural Attache Michael at Belgrade estimated the sowings in the 4 Danubian countries at 17,564,000 acres compared with 18,962,000 acres in 1933. Early sown winter wheat is in excellent condition through the Basin, having been protected by a deep snow cover against the severe frosts that prevailed before the middle of December. Late sown wheat, however, is thin and in poor condition.

In the United States it has been announced that another opportunity will be given to farmers who did not sign up for wheat acreage reduction in the original campaign. This reopening of contracts applies to approximately 13,000,000 acres of uncontracted normal wheat land. The reopening of the wheat contracts will contribute toward reducing acreage by the 15 percent required by the London Wheat Agreement.

The March report based on planting intentions indicates a decrease of about 2 percent in the acreage of spring wheat other than durum to be harvested in the United States in 1934 as compared with the acreage harvested in 1933. Indicated acreage for harvest this year is 16,439,000 acres. Sharp decreases are noted in the Pacific Coast States where an unusually large acreage of spring wheat was planted in 1933 to replace

winter-killed winter wheat. Smaller decreases are reported in other important spring wheat producing states except South Dakota, where drought reduced the acreage harvested in 1933 to an extremely low figure. A further decrease in durum wheat is reported this year, indicating an acreage for harvest of 2,155,000 acres, compared with 2,310,000 acres harvested in 1933. The indicated acreage of all spring wheat for harvest in 1934 is 2.5 percent less than the acreage harvested in 1933. The decrease from 1933 in sown acreage, however, is greater than the decrease in acreage for harvest because of unusually heavy abandonment in 1933.

The December report of the Crop Reporting Board indicated a probable abandonment of winter wheat in the neighborhood of 20 percent. Reports as of March 1 indicate that growers then expected less abandonment than was anticipated in December and suggest that the total acreage of wheat for harvest in 1934 may exceed the 1933 acreage by some 10 or 12 percent. The Board has made no allowance for the effect upon wheat acreage of the reopening of the wheat campaign or for adjustments in acreage which farmers may find necessary in compliance with wheat contracts.

In the North African countries unfavorable weather conditions hindered sowing operations and official estimates of the area sown are not available. Agricultural Attache Nielsen at Paris estimated the area in Morocco to be lower than last year, but believes that a larger area has been sown in Tunisia. In Algeria unfavorable weather conditions caused considerable delay in sowing operations and since the final extent of sowings depends on weather conditions during the present month, Mr. Nielsen believes it premature to attempt an area estimate. The condition of the crop in Morocco as a whole appears to be below average, in Tunisia somewhat above average and in Algeria somewhat irregular and uncertain.

The second official estimate of the area sown in India indicates a record or near record total. The estimate is 34,503,000 acres compared with 32,386,000 acres, the comparable estimate of the 1933 area and 32,992,000 acres the final estimate of the 1933 area. Early crop reports were favorable but severe cold weather and drought in January caused deterioration. The yield of wheat in India has ranged from 9.0 to 12.3 bushels per acre during the past 10 years and averaged 10.6 bushels per acre.

Table 1.- Wheat: Winter area in specified countries, 1931-1934

Country	Year of harvest			
	1931	1932	1933	1934
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
United States	45,240	42,348	42,692	41,002
Canada	560	568	595	631
Total (2)	45,800	42,916	43,287	41,633
Czechoslovakia	1,962	1,997	2,160	2,233
England and Wales	1,197	1,288	1,660	1/ 1,760
France	11,330	12,894	12,863	12,770
Germany	4,653	4,882	5,051	4,927
Greece	1,496	1,480	1,732	1,873
Italy	11,995	12,075	12,504	11,806
Latvia	149	173	183	190
Lithuania	379	409	393	403
Spain	11,245	11,248	11,048	11,039
Portugal	1,271	1,463	1,423	2/ 1,458
Total (10)	45,677	47,909	49,017	48,459
Bulgaria	3,028	3,102	2,882	2,985
Hungary	4,058	3,878	3/3,879	3/ 3,706
Rumania	7,863	6,581	3/7,042	3/ 6,178
Yugoslavia	5,275	5,142	3/5,159	3/ 4,695
Total (4)	20,224	18,703	18,962	17,564
Total Europe (14)	65,901	66,612	67,979	66,023
Morocco	2,537	2,713	3,210	2/ 2,795
Tunisia	1,977	2,392	1,754	2/ 2,150
Egypt	1,649	1,762	1,426	1,421
Total (3)	6,163	6,867	6,390	6,366
India	31,028	33,747	32,366	34,503
Total (20)	148,892	150,142	150,042	148,525
Estimated Northern Hemisphere total winter and spring area, excluding Russia and China	214,100	218,100	206,300	
Russia	29,039	32,336	26,703	29,785

Compiled from official sources and reports of the International Institute of Agriculture except as otherwise noted.
1/ Reported to be 6 percent above the 1933 area.
2/ Estimated in the Paris office of the Bureau of Agricultural Economics.
3/ Estimated in the Belgrade office of the Bureau of Agricultural Economics.

World Trade and Surpluses

The movement of new crop wheat from the Southern Hemisphere has now been underway for over 2 months. Shipments from Argentina rose to an average level of approximately 4,000,000 bushels weekly during February as compared with a level slightly higher during February of last year. Last year the peak level was reached in February, and there was a small decline in the

succeeding month. The movement from Australia has been much less this year than last, due in part no doubt to the smaller crop harvested this year. Present estimates place the 1933-34 crop of Australia at 160,000,000 bushels compared with 213,000,000 last year. Exports from Australia rose late in June to a peak of 3,320,000 bushels and have since receded slightly, and during the first half of March were averaging close to 2,000,000 bushels weekly. This compares with last year's peak level of 7,888,000 bushels reached during the week ended February 24. Last season Australian exports declined rapidly during March, and then less rapidly from April on, until by October they were averaging in the vicinity of 1,000,000 bushels weekly. North American shipments have recently been averaging in the vicinity of 4,000,000 bushels weekly which is only moderately below their level of a year earlier.

In Argentina considerable concern has been expressed on the restriction of exports called for by the London Wheat Agreement. Thus it has been pointed out that "if the London Wheat Agreement holds, it will cause a very heavy carry-over into next year, and this country under present conditions is not able to store wheat for long periods without losing a large amount, as grain elevators and other necessary storage space are not sufficient here."

Total world shipments from the principal exporting countries, as reported by trade sources, declined from a high point of 13,369,000 bushels the last week of January to a low point of 8,418,000 for the week ended March 3. The average level of shipments in recent weeks has been close to 11,000,000 bushels weekly as compared with an average of 10,000,000 weekly from July to December. Last season, total world shipments during the months January to March averaged considerably higher than during the first half of the crop year, and indeed the total shipments from January to June were larger than during the previous 6 months July to December. A somewhat similar situation is expected to prevail this season, though it does not seem likely that the level of shipments during the last quarter of the year will be as much below the January to March level as was the case last year.

Table 2.- Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, March 1, 1931 - 1934

Position	Mar. 1 - 1931	1932	1933	1934
	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.
United States				
Domestic wheat	342	423	396	278
Canadian wheat	18	15	8	9
Canada				
Domestic wheat	230	208	276	243
United States wheat	5	28	7	2
Argentina	126	105	118	130
Australia	130	111	112	105
Total	851	890	917	767
United Kingdom port stocks				
Wheat	12	16	6	13
Flour (as wheat)	1	2	1	
Afloat for United Kingdom	16	19	26	
Afloat for Continent	24	22	15	41
Afloat for orders	18	16	19	
Total	71	75	67	54
Grand total	922	965	984	821

The surplus of wheat available for export or carry-over in the principal exporting countries, together with United Kingdom port stocks and quantities afloat, is estimated at 821,000,000 bushels as of March 1 compared with 984,000,000 bushels a year earlier, 965,000,000 in 1932, and 1,922,000,000 in 1931. The greatest decrease is in the United States, where it is below last year's level of more than 100,000,000 bushels. Stocks in Canada and Australia are also estimated to be somewhat below their levels of a year earlier, but Argentina is indicated to have a somewhat larger surplus this year. In addition to surpluses in both positions are amounts available in the Danube Basin and in Russia. There is no definite information available concerning quantities which might be shipped from Russia, but no large exports are expected during the remainder of the current crop year. Russian shipments have been declining rapidly since December, and it does not seem likely that there will be any more than a moderate increase during the spring. Shipments from the Danube Basin countries similarly have declined almost to the vanishing point since December, and it is not likely that exports from these countries will be very significant between now and July. It seems likely that during the months March to June total shipments from the principal exporting countries may amount to about 180,000,000 bushels. Such a level of shipments might be expected to bring the total surplus in the four exporting countries down from the March 1 figure of 737,000,000 bushels to but little over 600,000,000 bushels. The March 1 surplus in these same countries last year amounted to 917,000,000 bushels, and the surplus available for export or carry-over in these countries on July 1, was 741,000,000 bushels.

In the United States the Bureau of the Census report indicates that mill stocks of wheat on the first of January were smaller than the tentative figures used in our compilation of stocks as of January 1 in last month's issue of World Wheat Prospects. Consequently, total stocks on January 1 are now indicated to have been 557,000,000 bushels instead of 561,000,000. This smaller level of stocks suggests that the amount of wheat fed from July to December was somewhat larger than had been allowed for in our last month's estimate of the January 1 surplus. Accordingly, the estimated United States surplus of domestic wheat as of January 1 has been revised from 305,000,000 bushels to 285,000,000. Revised figures for January 1 stocks are shown in the following table.

Table 3.- Wheat stocks in the United States on January 1, 1931-1934

Item	1931	1932	1933	1934
	Million bushels	Million bushels	Million bushels	Million bushels
On farms	258.9	322.5	272.6	194.1
"Commercial"	199.6	226.9	168.5	132.5
Country elevator and mills (Murray)	137.0	88.0	124.0	100.0
Merchant mills:				
For own account in mills and attached to mills	95.0	97.0	112.0	105.8
For others	20.0	18.7	10.2	9.3
In transit ("in transit to and bought-to-arrive" by merchant mills)	12.9	11.5	13.1	15.1
Total stocks	723.4	764.6	700.4	556.8

Prices

Wheat prices continue low in the unprotected and unsubsidized wheat markets of the world. At Liverpool, prices converted to terms of gold cents of the old par value have been at about 40 cents per bushel for nearly 5 months and when converted at current rates of exchange they are now in the vicinity of 65 cents per bushel. Meanwhile wheat at Chicago is selling for around 85 to 90 cents per bushel.

In the United States the weighted average price of all classes and grades of wheat at six markets, which was 91.8 cents for the week ended February 17, declined to 85.5 cents for the week ended March 3, and was 86.1 cents per bushel for the week ended March 10. At Kansas City No. 2 Hard Winter declined from 85.4 cents for the week ended February 17 to 81.9 cents for the week ended March 3, and 81.7 cents for the week of March 10. There have been no striking changes in the relationship between prices of the various representative wheats in United States markets. No. 2 Amber Durum, however, continues to be higher in price than the others. At Minneapolis, for the week ended March 10, No. 2 Amber Durum averaged 105.0 cents per bushel compared with 88.6 for No. 1 Dark Northern Spring.

In continental European markets where prices are largely removed from the influence of international supplies there was some improvement during February. Reduced offers of domestic wheat in several countries resulted in increased prices despite declining prices from mid-January to mid-February at Liverpool. At Paris, for example, domestic wheat rose from an equivalent of 212 cents per bushel from February 3 to 225 cents on March 3. At Liverpool, May futures declined from a January average around 68 cents per bushel to an average of 65 cents during February. There was some improvement in Liverpool prices during early March, but this was later lost, and on the 17th May futures closed at 65 cents per bushel.

Table 4.- Wheat: Price per bushel at specified markets, in terms of United States currency, by weeks, December 1933-March 1934

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/	Paris 6/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Dec. 9	81.1	84.1	55.1	48.0	64.4	62.9	196	206	181
16	81.5	83.6	54.8	52.2	63.3	61.4	191	201	182
23	78.6	82.5	53.9	51.6	62.4	60.5	192	203	191
30	80.5	84.2	55.3	51.6	65.6	60.5	-	205	195
Jan. 6	81.2	84.4	56.4	51.6	66.8	60.7	199	211	197
13	82.0	86.4	58.1	51.6	66.4	59.0	195	207	194
20	85.8	91.1	60.6	52.0	67.4	58.5	200	214	197
27	84.8	90.5	59.7	52.0	65.0	58.9	196	212	192
Feb. 3	86.7	92.2	62.1	51.8	65.1	58.8	-	212	194
10	86.8	91.6	62.1	52.0	63.8	59.1	199	217	197
17	85.4	90.9	61.2	52.6	62.0	59.8	204	224	204
24	83.9	88.6	60.0	53.0	62.1	60.2	206	224	
Mar. 3	81.9	87.0	60.8	52.9	62.6			225	
10	81.7	88.6	62.6	52.9	63.8				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday, Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.
1/ No. 2 Hard Red Winter. 2/ No.1 Dark Northern Spring.
3/ No. 3 Manitoba Northern. 4/ Near futures.
5/ Home-grown wheat in England and Wales. 6/ Domestic.

Table 5.- Wheat: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	50	93	44	86	49	88	42	70	50	70	40	54
Low 3/	46	84	39	77	42	80	39	65	47	64	36	51
Feb. 17	48	90	42	83	46	86	40	67	48	65	36	53
24	47	88	41	79	45	83	39	67	47	65	36	53
Mar. 3	49	88	43	80	46	84	40	69	47	67	36	53
10	4/	88	4/	80	4/	84	4/	70	4/	66	4/	53

1/ Conversions at noon buying rate of exchange. 2/ Prices are of day previous to other prices. 3/ January 1 to date. 4/ Trading suspended at United States markets; no exchange rates available for foreign markets.

Table 6.- Wheat: Weighted average cash price at stated markets

Week ended	All classes: and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 2/	50	93	45	87	52	92	55	114	50	93	47	78
Low 2/	46	82	42	81	48	84	49	92	48	89	44	74
Feb. 17	48	92	44	85	51	91	51	109	50	92	45	75
24	48	88	44	84	51	89	50	107	49	90	45	74
Mar. 3	48	85	44	82	50	87	51	105	49	89	44	76
10	3/	86	3/	82	3/	89	3/	105	3/	89	3/	76

1/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
2/ January 1 to date.
3/ Trading suspended.

Prospects for wheat prices during the next few months can probably best be appraised by considering separately the prospect for world market prices and for the relationship between prices in the United States and world markets. World market prices continue to be under the influence of very abundant supplies of wheat in the exporting countries and a restricted demand in the importing countries. Present estimates point to a surplus of wheat available for export or carry-over in the four principal exporting countries, together with quantities afloat and United Kingdom port stocks of about 821,000,000 bushels as of March 1, compared with 984,000,000 a year earlier. It is likely, on the other hand, that supplies in the Danube Basin and in Russia which might be exported are somewhat larger than a year ago, though it is not expected that these countries will export much wheat during the remainder of the current crop year. Although it does not seem likely that March to June takings by importing countries will be quite as large as those of last year, the carry-over in the exporting countries as of July 1 will probably be considerably smaller than it was on the corresponding date of 1933.

The course of world wheat prices during the next few months will depend to a considerable degree upon the results which are obtained in the way of acreage reduction and export control, and upon the prospective yields of wheat in the various countries of the world for 1934. Weather and crop conditions to date suggest that the total production of wheat in Europe will not be as large as it was last year, though it is too early to draw definite conclusions. While present indications point to another year of large abandonment and relatively low yields of winter wheat in the United States, the crop is expected to be considerably above that of last year. With average yields, the spring wheat crops of both the United States and Canada would be much larger than they were in 1933. Thus in the Northern Hemisphere the 1934 crop might prove to be smaller than that of 1933 in the importing countries, but larger in the exporting countries. This would not result in any very material improvement in world prices during the next few months unless it should be as a result of more tangible evidence of effective acreage reduction in wheat producing countries, of export controls, and measures to increase consumption than we have had thus far.

We may next turn to a consideration of the prospective relationship between prices in the United States and in world markets. In years past the price of wheat at Chicago has ordinarily been in the vicinity of 10 to 20 cents per bushel lower than at Liverpool. When Chicago prices are low relative to Liverpool, there is a heavy movement of wheat from the United States into export markets. This tends to result in there being a lower limit to the spread between Chicago and Liverpool prices, and during most years in the past the spread has frequently about reached that limit. There is similarly an upper limit to the spread, the point at which prices in the United States rise so high that wheat will be imported in large amounts over our tariff wall. With freight rates now prevailing, it appears that Chicago prices cannot well decline to more than about 15 or 20 cents per bushel under Liverpool, whereas the upper limit is such that Chicago prices cannot rise much more than 25 cents per bushel above Liverpool.

Since July the spread between Chicago and Liverpool, has averaged about 20 cents per bushel which is but little lower than the upper limit. This is the result partly of the short crop of wheat harvested in the United States during 1933; partly of the program of aiding exports from the Pacific Northwest; partly of the acreage reduction campaign; and partly of various other factors which have contributed to a speculative support of the market. From a long-time standpoint, however, prices at Chicago can be maintained far above an export basis only if wheat acreage in the United States is reduced sufficiently to leave us with no material export surplus east of the Rocky Mountains, or if the United States extends its policy of export aid to regions east of the Rockies. An acreage reduction of 15 percent is not sufficient to place wheat production east of the Rockies on a domestic basis except in years when yields are below average. With the large surplus for carry-over which still exists in the United States and a crop equal to or in excess of domestic requirements, prices at Chicago may occasionally decline to an export basis if export aid is not extended to wheat grown east of the Rockies.

Rather comprehensive data on stocks indicate that there was a surplus of wheat available for export or carry-over in the United States as of January 1 amounting to about 285,000,000 bushels. This consequently suggests a carry-over into the new crop year of somewhere in the vicinity of 275,000,000 bushels. Murray forecast the winter wheat crop at 475,000,000 to 480,000,000 bushels based on his March 1 condition figures of 73.5 percent. If spring wheat yields should be average, and if acreage should be that indicated by intentions to plant, the spring wheat crop of the United States this year would amount to about 240,000,000 bushels. Hence, using Murray's figure for winter wheat production and the above figure for spring, we arrive at a total of about 720,000,000 bushels. This may be compared with an allowance for domestic utilization of 625,000,000 bushels, which includes 500,000,000 bushels for food, 75,000,000 for seed, and 50,000,000 as feed. The above calculation takes no account of the effects of any supplementary acreage reduction campaign. Since some steps toward supplementary reduction have been taken and others may be taken it is to be expected that a somewhat smaller production than that indicated above would be obtained if spring wheat yields should be about average.

Wheat Flour Production and Consumption in the United States

In recent months there have frequently been statements in trade publications indicating that the processing tax was greatly reducing the amount of flour consumed. As evidence of this, it was pointed out that the amount of flour reported milled during the late summer and fall months of 1933 was much below the level of previous years. Such statements, however, failed to take account of the unusually high level of flour production for the months from March to June 1933, and the fact that flour production has been reduced by reason of the smaller exports of the past 2 years. Furthermore, indications are that the monthly reports of the Bureau of the Census, while still covering a very large proportion of all flour produced in the United States, are less inclusive than formerly, yet the monthly figures as reported have often been used as though they represented total flour production. When these facts are taken into account, it becomes evident that flour consumption has been but little affected by the processing tax. No precise measure of the effect is to be had, however, because of uncertainties as to the amount of flour produced by those mills which do not report monthly to the Bureau of the Census, and because of inadequacy of data on flour stocks.

For more than 2 years the flour production of reporting mills has usually been considerably lower month by month than the average of the corresponding months of the 9 years 1924 to 1932. From March to June 1933, however, reported flour production was considerably above the 9-year average for the corresponding months. The cause of this lower level of reported production is to be found primarily in the restricted export market for flour. This becomes evident if monthly exports of flour are subtracted from the monthly production so as to arrive at the approximate figure of the amount of the reported flour production available for domestic consumption. In doing this, however, exports of the following month should be subtracted from the flour production of each given month, for there appears to be a lag of about 1 month between flour production and exports. Such a procedure shows clearly that the reported flour production available for domestic use was unusually high during the months March to June 1933, although from January 1932 through February 1933 the current monthly figures have followed very closely to the 9-year average of the corresponding months.

In place of using only the figures for reported flour production however, it is somewhat more satisfactory to estimate the total flour production of the country on the basis of such evidence as exists concerning the changing percentage which monthly reports constitute of the total. Although it is not possible to say definitely and precisely what proportion of the total is currently represented by the monthly reports, it is nevertheless possible to obtain a much more accurate figure and a much better idea of the course of flour production over the past 10 years than can be done by merely accepting the monthly figures as reported. Detailed figures of monthly production, exports, and production available for domestic consumption for the past 2 years, together with 9-year averages are shown in Table 7.

Table 7 .- Wheat flour: Estimated production, exports, and production available for domestic use in the United States

Month	Estimated total production				Exports				Production available for domestic use 1/			
	Average 1924-1932	1932	1933	1934	Average 1924-1932	1932	1933	1934	Average 1924-1932	1932	1933	1934
	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels
Jan.	10,066	9,033	9,033	2/9,975	3/ 962	864	323	362	9,115	8,321	8,725	2/(9,700)
Feb.	9,150	8,502	8,077		981	712	308		8,157	7,905	7,726	
Mar.	9,563	9,386	9,935		923	597	351		8,674	8,843	9,603	
Apr.	8,945	8,077	10,428		909	538	332		8,128	8,748	10,107	
May	8,974	8,579	9,853		817	329	321		8,162	8,154	9,494	
June	8,915	8,677	9,637		812	425	359		8,118	8,330	9,347	
July	9,791	8,703	2/9,347		797	347	290		8,845	8,338	2/8,985	
Aug.	10,940	10,022	2/7,875		946	365	362		9,854	9,650	2/7,358	
Sept.	11,235	10,465	2/8,646		1,036	372	317		10,069	10,089	2/8,334	
Oct.	11,315	10,461	2/9,394		1,216	376	312		10,708	9,978	2/9,093	
Nov.	10,365	9,731	2/8,330		1,107	483	301		9,362	9,344	2/8,942	
Dec.	9,714	9,298	2/8,414		1,003	387	388		8,752	8,975	2/8,052	
Total	119,543	111,034	109,769		11,599	5,725	3,964		107,944	106,680	105,766	

Division of Statistical and Historical Research.

1/ Estimated total production minus exports of the following month.

2/ Preliminary.

3/ January average is for 1925 - 1933.

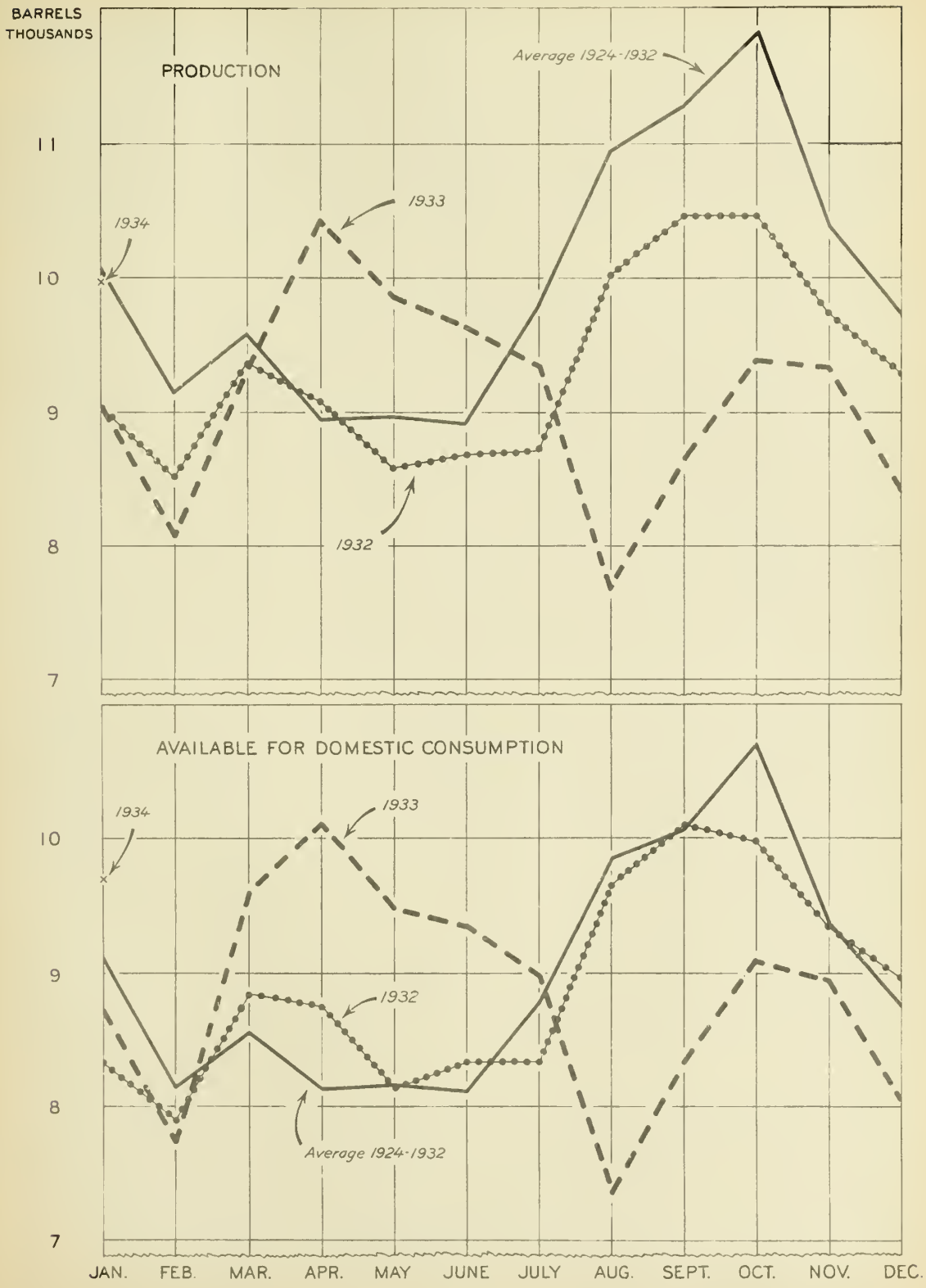
In the upper section of the attached figure the estimated flour production including that of both merchant and custom mills for the past 2 years is compared, month by month, with the average production of the corresponding months of the 9 years 1924 to 1932. It will be seen that 1932 flour production was below the 9-year average for each month except April. The estimated flour production for 1932 was below the 9-year average by nearly 700,000 barrels per month, but except for the lower level, the monthly course of flour production for that year was very similar to the average of the 9 years 1924 to 1932. Both the 9-year average and the 1932 figures show flour output at a relatively low level during the months February to July. The output then rises during the late summer and reaches a peak in the fall. In 1933, on the other hand, flour production reached a peak in the fall. Production then declined to a low point in August. There was a marked recovery in September and October, and during the months October to December the level of output was quite steady at about the average for the year.

The lower section of the figure shows the flour production available for domestic consumption during 1932 and 1933 as compared with the average production available for consumption during the corresponding months of the 9 years 1924 to 1932. In this case the 1932 curve not only shows the same seasonal tendency as does the 9-year average, but it is at approximately the same level. The average level of the 1933 curve is also approximately the same as that of 1932, and of the 9-year average, but its seasonal swing is almost reversed. During January and February of 1933, production available for domestic consumption was somewhat below the average for those months, but there was an unusually large increase in March. The peak was reached during April when flour output exceeded exports of the following month by more than 10,000,000 barrels. This compares with an average April excess of production over exports of the following month of only 8,300,000 barrels. The production available for domestic consumption then declined to a low point in August, but for the months March to July it was above average. Although there was a rapid rise from August to October during 1933, the production available for domestic consumption remained below the average for the corresponding months through November.

It, consequently, becomes evident that while flour production during the next 2 years has been below the level of earlier years, this lower level of grindings has been due primarily to the reduced export of flour. For the year 1932 net exports of flour amounted to 5,796,000 barrels, and in 1933 to 3,963,000 barrels compared with an average for the 9 years 1924 to 1932 of 11,738,000 barrels yearly. When allowance is made for reduced exports, flour production in 1933 was almost as large as that of 1932 and the 9-year average. Estimated total flour production minus net exports amounted to 105,806,000 barrels for 1933, compared with 106,138,000 barrels in 1932, and an average of 107,694,000 barrels in the 9 years 1924 to 1932.

Although there was a very marked decline in flour production available for domestic consumption following the imposition of the wheat processing tax, and although production available for domestic consumption was unusually low during the months August to October, these facts do not indicate a reduced consumption as a result of the processing tax. The low level of production available for domestic consumption during the late summer and fall was the natural result of the abnormally high level from

WHEAT FLOUR: ESTIMATED PRODUCTION IN THE UNITED STATES, AND AMOUNT AVAILABLE FOR DOMESTIC CONSUMPTION, AVERAGE 1924-1932, AND 1932 TO DATE



U. S. DEPARTMENT OF AGRICULTURE

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March to June 1933. Production was abnormally high during these months, partly because of increased millings in anticipation of the processing tax but presumably also because of the very rapid rise in wheat and flour prices which took place from March to mid-July. Flour buying and consequently milling were stimulated because purchasers were attempting to buy before prices rose further.

When the disappearance of flour is calculated from production, net exports and the available data of stocks, we find that it amounted to about 56,000,000 barrels during the first half of 1933 compared with a 9-year average disappearance of 51,000,000 barrels. The July to December disappearance in 1933, on the other hand, was 49,000,000 barrels compared with a 9-year average of 57,000,000 barrels.

In some quarters it has been suggested that the distribution of Red Cross flour helped to maintain consumption during the 1932-33 crop year, and it has been pointed out that the end of the Red Cross flour distribution occurred about the same time the processing tax was imposed on the grinding of wheat for flour. While flour distribution of Red Cross flour may have maintained consumption at a higher level than it would otherwise have been, this could not explain the high level of millings from March to June of 1933. About 10,000,000 barrels of flour were ground for the Red Cross in exchange for Stabilization Corporation wheat, but over two-thirds of this was ground prior to March 1, and hence flour produced for the Red Cross did not account for the tremendous spurt of output during the spring and early summer of 1933. Flour production during the 4 months March to June 1933 exceeded that of the previous year by over 4,000,000 barrels, and the output available for domestic use exceeded the 9-year average for the corresponding months by more than 5,000,000 barrels.

Just what effect the distribution by the Red Cross of flour milled from Stabilization Corporation wheat had upon flour consumption will probably remain uncertain. The total amount distributed was only about 10 percent of the yearly flour consumption in the United States. Obviously, a large part of the flour distributed by the Red Cross did not constitute a net addition to the flour consumption which would otherwise have taken place, instead much of the Red Cross flour was used in place of flour which would have been purchased by relief agencies or by the consumers themselves. Because of the inadequacy of data on flour stocks, as well as because of uncertainties as to the exact total of flour production, estimates for flour disappearance do not provide an accurate enough indication of flour consumption to judge the extent to which such consumption may have been increased by the Red Cross distribution of flour milled from Stabilization Corporation wheat.

The course of production, of exports, and of available data as to stocks of flour during 1933 present striking evidence of the inadequacy of the data on stocks. During the months January to June 1933 the output of flour available for domestic use was larger than the 9-year average for the corresponding months by nearly 5,000,000 barrels. Reported stocks, however, were not unusually low on January 1 nor were they unusually high on July 1. Available flour output for the 6 months July to December was below the 9-year average by nearly 7,000,000 barrels, yet here too the course of reported flour stocks was not much out of the ordinary. Stocks which had

declined from 5,990,000 barrels from 1933 to 4,719,000 as of July 1 rose to 6,546,000 barrels on January 1, 1934. The stocks in question include total flour stocks as reported (monthly) by the Chicago Daily Trade Bulletin plus mill stocks raised to an assumed 100 percent from the figures reported by the Bureau of the Census. The latter represent a very comprehensive figure of stocks held by mills in all positions, including those in public and private warehouses. The stocks reported by the Daily Trade Bulletin presumably include only stocks in warehouses and only a part of those. Stocks held by wholesalers, bakers and retailers outside of regular warehouses, as well as those held by consumers, are apparently not included. Rising flour prices and the levying of the processing tax and the floor stocks tax encouraged the building up of abnormally large flour stocks in the hands of retailers and consumers on July 1. While the taxes were levied as of July 9, retailers were not taxed on that portion of their July 9 stocks which they sold during the following month.

In view of all the above evidence it seems clear that the relatively large disappearance during the first half of the year was due primarily to a building up of stocks in unrecorded positions (including stocks in hands of retail dealers, bakers and consumers) and there was presumably a reduction of such stocks during the latter half of the year. Ordinarily stocks in unrecorded positions decline during the first half of the calendar year and increase during the second half. Actual consumption of flour in ordinary years is presumably about the same in the second half as in the first half of the year. Probably the actual consumption in the second half of 1933 was also about the same as in the first half for the total disappearance for the year was but little different from that of 1932. If there had been a marked decline in flour consumption during the second half of 1933, this would presumably have resulted in the total flour disappearance during the calendar year being well below the figure for 1932.

The conclusion, that there has been no material decline in flour consumption as a result of the processing tax is entirely consistent with deductions based on data for previous years. In the years past there have been very wide year-to-year variations in the price of flour, but the year-to-year changes in flour disappearance have been very small. This stability of flour disappearance in spite of very great changes in price indicates an inelastic demand, so that a rise in the price of flour due to the processing tax could not be expected to affect consumption materially.

The method of estimating flour production

The estimates of flour production referred to above are estimates of total flour production in the United States, including both merchant and custom mills. They cover the period from July 1923 to date and are shown for the entire period in Tables 8 and 9. Exports of flour and the output available for domestic use are shown monthly from July 1923 to date in Tables 10 and 11.

The estimates of merchant mill output are based upon flour production as reported by Biennial Census of Manufactures, and monthly reports of flour production of the Bureau of the Census. The estimates of custom milling are based upon data of the Bureau of Agricultural Economics, especially upon estimates of the amount of wheat exchanged by farmers for flour. Other data have also been used as a check against the reasonableness of both the estimates of custom millings and the estimates of the changing percentage of the merchant mill flour output which is included in the monthly reports of the Census of Manufactures.

Table 8.- Wheat flour: Estimated production in the United States, 1923-24 to 1933-34

Crop year	All merchant mills	Custom mills	Total, all mills
	1,000 barrels	1,000 barrels	1,000 barrels
1923-24	118,528	911	119,439
1924-25	117,693	887	118,580
1925-26	115,551	881	116,432
1926-27	121,367	869	122,236
1927-28	120,316	780	121,096
1928-29	123,255	688	123,943
1929-30	122,284	586	122,870
1930-31	118,606	885	119,491
1931-32	115,487	1,253	116,740
1932-33	114,275	1,368	115,643
1933-34		1/(2,500)	

Division of Statistical and Historical Research. Estimates are based on the Biennial Census, including all prepared flour.
1/ Tentative rough estimate to be revised when estimates of total amount of custom ground wheat is available.

Table 9.-Wheat flour: Estimated total production of merchant and custom mills in the United States, by months, July 1923 - January 1934

Month	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34
	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels
July	8,927	9,590	9,922	10,496	9,180	9,202	9,965	10,243	10,818	8,703	1/9,347
Aug.	11,019	11,141	10,419	11,568	10,515	11,196	11,814	11,170	10,615	10,022	1/7,675
Sept.	11,146	11,830	11,132	11,990	11,437	11,358	11,091	11,572	10,710	10,465	1/8,646
Oct.	12,532	12,851	12,004	11,799	11,804	12,484	11,739	11,738	11,452	10,461	1/9,394
Nov.	10,721	10,374	10,204	10,602	10,613	10,667	10,217	9,976	10,901	9,731	1/9,330
Dec.	9,270	9,992	9,993	9,825	10,057	9,968	9,548	9,755	8,990	9,298	1/8,414
Jan.	10,211	11,109	9,682	9,502	10,056	10,759	10,206	10,038	9,033	9,033	1/9,975
Feb.	9,592	9,293	8,280	8,830	9,755	9,688	9,435	8,977	8,502	8,077	
Mar.	9,496	8,271	9,228	9,825	10,611	9,873	10,050	9,511	9,366	9,935	
Apr.	8,724	7,628	8,441	9,126	9,228	9,251	9,763	9,269	9,077	10,428	
May	8,960	7,805	8,242	9,324	9,441	9,989	9,675	8,755	8,579	9,853	
June	8,841	8,698	8,885	9,349	8,399	9,528	9,367	8,487	8,677	9,637	
Total	119,439	118,580	116,432	122,236	121,096	123,943	122,870	119,491	116,740	115,643	

Division of Statistical and Historical Research, Bureau of Agricultural Economics. Estimates are based on monthly reports of the Bureau of the Census, the biennial censuses, and Bureau of Agricultural Economics data relating to custom milling.

1/ Preliminary.

Table 10.-Wheat flour: Production available for domestic use in the United States, by months, July 1923-24 to date 1/

Month	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34 2/
	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels
July	7,654	8,641	9,048	9,133	8,128	8,270	8,849	9,016	10,173	8,338	8,985
Aug.	9,451	9,678	9,619	10,008	9,235	10,176	10,652	9,758	9,906	9,650	7,358
Sept.	9,054	9,978	10,120	10,605	9,924	9,953	9,781	10,242	9,925	10,089	8,334
Oct.	10,754	11,235	11,142	10,455	10,470	11,285	10,637	10,582	10,594	9,978	9,093
Nov.	8,972	8,922	9,195	9,394	9,490	9,728	9,094	9,084	10,006	9,344	8,942
Dec.	7,554	9,005	9,317	8,816	8,812	8,599	8,508	8,810	8,126	8,975	8,052
Jan.	8,673	10,173	9,035	8,628	9,109	9,539	9,281	9,276	8,321	8,725	
Feb.	8,166	7,906	7,585	7,958	8,744	8,496	8,391	8,262	7,905	7,726	
Mar.	8,458	7,316	8,394	8,809	9,614	8,765	9,116	8,750	8,848	9,603	
Apr.	7,747	8,938	7,762	8,028	8,383	8,318	8,747	8,480	8,748	10,107	
May	7,786	8,983	7,575	8,461	8,755	9,045	8,737	7,963	8,154	9,494	
June	8,052	7,921	8,092	8,561	7,752	8,444	8,422	7,482	8,530	9,347	
Total	102,281	104,696	106,874	108,856	108,416	110,618	110,015	107,705	109,041	111,376	

Bureau of Agricultural Economics, Division of Statistical and Historical Research.

1/ Estimated total production minus exports of the following month.
2/ Preliminary.

Table 11.-Wheat flour: Domestic exports from the United States, by months, July 1923-24 to date

Month	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34
	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels
July	884	789	777	793	788	647	1,084	945	1,005	347	290
Aug.	1,273	949	874	1,363	1,052	932	1,116	1,227	640	365	362
Sept.	1,568	1,463	800	1,560	1,280	1,020	1,162	1,412	709	372	317
Oct.	2,092	1,352	1,012	1,385	1,513	1,385	1,310	1,330	785	376	312
Nov.	1,778	1,616	872	1,344	1,334	1,199	1,102	1,156	858	483	301
Dec.	1,789	1,452	1,009	1,208	1,123	939	1,123	892	895	387	388
Jan.	1,716	987	676	1,009	1,245	1,369	1,240	945	864	323	362
Feb.	1,538	936	647	874	947	1,220	925	762	712	308	
Mar.	1,426	1,387	695	872	1,011	1,192	1,044	715	597	351	
Apr.	1,038	955	834	1,016	997	1,108	934	761	538	332	
May	977	690	679	1,098	845	933	1,016	789	329	321	
June	1,174	820	667	863	686	944	938	792	425	359	
Total	17,253	13,896	9,542	13,385	12,821	12,888	12,994	11,726	8,357	4,324	

Bureau of Agricultural Economics, Division of Statistical and Historical Research.

Since May 1925 the Bureau of the Census has published monthly figures of reported flour production. These monthly reports cover a large share of the entire wheat flour milling industry, and indicate each month the percentage which the mills reporting in that month produced of the flour output included by the previous Census of Manufactures. These percentages have varied considerably from time to time according to which biennial census has been used as a base. During 1923 and 1924 reporting mills were indicated to have produced about 85 percent of the flour included in the Census of Manufactures of 1921. From January 1925 through December 1926 the percentages related to the portion of the 1923 flour production which was produced by the mills giving monthly reports, and these percentages ranged from 88 to 90. When flour production of 1925 was used as a base, there was a further increase in the percentage represented by the monthly reports, and this increase continued each time a later census year was used as a base. Mills reporting monthly flour production currently during 1933 were indicated to have produced nearly 96 percent of the total flour produced in 1931.

When comparison is made of the totals of monthly reports in given census years and of the totals reported by the Biennial Census of Manufactures for those years, however, different percentages result. Indications are that in the year 1923 the amount reported monthly would have been approximately 89 percent of the total as reported by the Biennial Census of Manufactures, had the monthly reports been available for the entire year. This large percentage of the total production appears to have been included in the monthly reports in spite of the fact that mills reporting in 1923 were indicated to have produced less than 85 percent of the flour reported in the 1921 Census of Manufactures. In the calendar year 1925 the flour produced as reported monthly totaled over 90 percent of the total given by the census of that year. However, the Biennial Census of Manufactures of 1925 was the first to include flour produced by establishments not classified in the milling industry. The total of the amount reported monthly was 91 percent of the Biennial Census of Manufactures figure for mills classified in the milling industry, whereas mills reporting monthly during 1925 had in 1923 produced less than 90 percent of the flour reported by mills classified in the milling industry. For 1927 and 1929, also, the total amount of flour produced by the mills reporting monthly constituted a larger percentage of the flour reported in the Biennial Census of Manufactures of those years than the reporting mills produced of the flour output of the preceding census year. In 1931, on the other hand, this situation was reversed. The total of the reported monthly output for that year amounted to somewhat less than 94 percent of the Biennial Census total for 1931, whereas the mills in question had produced over 94 percent of the flour reported in the 1929 Census of Manufactures.

Consequently, from 1923 to 1929 the mills reporting each month were currently producing a larger proportion of the total flour output of the country than they had been producing at the time of the most recent census. By 1931, however, the mills making monthly reports were currently producing a smaller proportion of the total flour than these same mills had previously produced.

The situation is further complicated by the fact that no census since that of 1919 has given any statistics on the amount of flour produced by custom mills; instead the census reports have been confined to merchant mills only. In 1919 custom mills were reported to have produced 1,205,000 barrels of flour. The subsequent censuses have provided no data concerning the amount of flour which this class of mills produced. Furthermore, even aside from any incompleteness of the figures due to failure to include production of mills which were supposed to be included, there has been a change in the completeness with which the flour production of merchant mills has been reported by biennial censuses. In 1919 all mills whose products were valued at $500 or more were supposed to be included in the census reports, but for the 1921 and subsequent censuses data were obtained only from establishments reporting products to the value of $5,000 or more. Since there is a very large number of small mills, many mills were omitted from the biennial censuses because of their small size. This lower limit of $5,000 value of products affects the number of mills included in a very uncertain way because of changes in the unit value of mill products. Presumably more small mills were included in 1921 and 1923, when the unit value of flour and offal was fairly low, than were included in 1925 and 1927 when the value was much higher. Even a greater number of mills were presumably left out of the census tabulation in 1931 because of very low prices of mill products in that year.

Finally, it should be borne in mind in any attempt to estimate total flour production in the United States that prior to 1925 the biennial censuses did not include in their reports any flour produced by establishments which were not classified in the milling industry. For 1925 and subsequent censuses, part of the flour output of establishments classified by the "cereal preparations" industry and by the "feeds, prepared for animal and fowls" industry have been included, but the prepared flour produced by establishments in these industries have not been included in the census totals. The prepared flour produced in establishments not included in the milling industry was not included in the Bureau of the Census totals on the theory that most of such flour was made by mixing other ingredients with flour produced by mills which were classified as being in the milling industry. However, an inspection of figures showing the amount of prepared flour produced by establishments classified in the milling industry and by establishments classified in other industries for the years 1925 to 1931 shows the changes from census year to census year in the totals for each of these two groups are much more variable than the total amount of prepared flour produced by all industries. This leads to the conclusion that a more consistent figure for total flour production for census years is obtained if we either include or exclude all the prepared flour. On the assumption that there would be less duplication if all prepared flour were included than there would be omission if none were included, the accompanying estimates are based on census year totals which include all prepared flour reported at the biennial censuses. It is also assumed that establishments not classified in the milling industry produced 1,500,000 barrels of flour in 1923.

In order to obtain basic evidence concerning changes in custom mill production, a number of series were tabulated and examined. These

included estimates of the amount of wheat exchanged by farmers for flour, the Census of Manufactures data of the amount of flour produced by small mills as compared with that produced by large mills, changes in the geographical distribution of wheat and flour production, and the percent which the flour output of mills reporting monthly was of the total flour produced in census years as reported in the Biennial Census of Manufactures. From these data it is apparent that there has been a tendency for custom mill flour production to decline in the past 15 or 20 years, but there is also a tendency for custom mill output to be relatively larger in years of low wheat prices than in years of high wheat prices. There appears to be an even closer relationship between the percent of the total production not included in the monthly reports and the ratio between the price of wheat and the price of flour. When the ratio of wheat prices to flour prices is relatively high the small mills apparently produce less flour, whereas in years when the price of wheat is low relative to the price of flour, small mills obtain a larger proportion of the business. Year-to-year changes in custom mill flour production are apparently quite similar to changes in the output of small merchant mills.

As a result of analyzing the available data, it appeared that the most feasible means of estimating custom mill flour production was to use a 1919 census figure as a base and assume that the production of custom mills in subsequent years decreased and increased from year to year in proportion as did the estimated amount of wheat ground for home use by farmers or exchanged for flour. Some of the wheat ground for farmers or exchanged by them for flour is, of course, ground by merchant mills. However, it is to be supposed that year-to-year changes in this custom grinding business will bear a fairly close relationship to year-to-year changes in the business of purely custom mills and of merchant mills which are too small to be included in the biennial census reports.

It appears that approximately 42 percent of the wheat ground for home use by farmers or exchanged for flour in 1919 was ground by custom mills. Hence 42 percent of the amount of wheat ground for home use or exchanged by farmers for flour has been used as the approximate amount ground by custom mills. Dividing this figure by 5, on the assumption that small custom mills required about 5 bushels of wheat per barrel of flour, gives the approximate number of barrels of flour produced by custom mills. The resulting data for the crop years 1923-24 to 1932-33 are shown in Table 8 a. It is likely that a still larger amount of wheat will be ground by custom mills during the 1933-34 crop year because of the stimulus to custom milling which has been given by the exemption from the processing tax of wheat ground by custom mills into flour for the use of the wheat grower or his family. Custom mill flour production for 1933-34 has tentatively been estimated at 2,500,000 barrels pending the time when an estimate is available of the amount of wheat ground for home use by farmers or exchanged for flour.

The above procedure resulted only in estimates of crop year totals of flour production of custom mills. In order to obtain monthly figures these crop year totals were distributed in the same proportion as the monthly distribution of merchant mill flour output. There is no evidence available to indicate the exact seasonal nature of custom milling, but there seems to be no doubt that it is more reasonable to assume a seasonal

the same as in merchant mill flour output than to assume that custom mill production is constant from month to month.

In arriving at monthly estimates of merchant mill flour production it was desired to raise the figures as reported monthly by an amount which would change consistently from month to month and yet which would result in calendar year totals consistent with the output as reported at the biennial census. For reasons given earlier in the discussion it was deemed best to use as the total flour production for census years, the total reported flour production including all prepared (self-rising) flour produced, whether produced by establishments classified in the milling industry or in other industries. 1/

1/ This was first suggested as a desirable basis of estimate by Dr. Holbrook Working of the Food Research Institute.

These totals as well as those carried by the Censuses of Manufactures are as follows:

	Total carried by Census of Manufactures	Prepared flour produced outside the "milling industry"	Total including all prepared flour
	Barrels	Barrels	Barrels
1923	1/114,438,544	2/(1,500,000)	115,938,544
1925	114,689,930	909,784	115,599,714
1927	118,132,027	619,185	118,751,212
1929	120,039,673	2,327,865	122,367,538
1931	115,364,274	2,073,032	117,437,306

1/ Includes no flour produced outside the "milling industry".
2/ Rough estimate of all flour, prepared and plain, produced outside the milling industry.

The prime objective, then, was the raising of the monthly figures of flour output so that their totals for census years would approximate the figures in the last column of the above table. A rough approximation of this result may be reached in the following manner: The ratio of flour production reported monthly during census year to the above totals is obtained. These ratios are considered to be the ratios of the reported production during July of the census years to the total production for those months. Corresponding ratios for intervening months are obtained by interpolation. The flour production reported for each month is then divided by the corresponding monthly ratio.

In order to obtain calendar year totals of monthly estimates which more closely approximate the desired census year totals it was necessary to make certain adjustments in the ratios used but they were in all cases straight line interpolations between ratios for July of each census year. These ratios rose from a low point of approximately .881 for July 1923 to a high of .941 for July 1929. They then declined and the ratio used for January 1934 is approximately .895. In order to obtain the estimated total output of merchant mills for each month, the reported production for that month was divided by the estimated ratio of reported production to total production for the same month.

Monthly estimates of total output of merchant and custom mills combined are shown in Table 9. The figures given from July 1933 on are indicated to be preliminary on account of custom mill output being estimated on a different basis for those months than for the preceding months. All the estimates since 1931 may be subject to considerable revision, however, because there is at present no satisfactory evidence as to changes in the completeness of the monthly reports since 1931. The completeness of the reports is affected by changes in the proportion of the total flour output produced by larger mills, since most of the non-reporting mills are small. The completeness is also affected by the willingness of large mills to send in reports and by the amount of time and money those in charge of the collection of the reports can devote to their task. It seems likely that these various factors have resulted in a smaller proportion of the total output being reported monthly in 1933 than in 1931, but whether a straight line projection of the change which occurred from 1929 to 1931 results in approximately the correct figures for 1932 and 1933 will be in doubt pending the time when the final results of the 1933 Census of Manufactures are available.

The Continental European Wheat Market Situation 1/

Central and northern Europe

Wheat trading on the central and northern European markets during February was slightly more active than during the immediately preceding months. Reduced offers of domestic wheat in several countries resulted in increased prices, despite the lower prices of foreign wheat on both the overseas and continental markets. In the central European countries of Czechoslovakia, Austria and Poland the combination of reduced offers and increased demand brought about a substantial rise in domestic prices and, in Czechoslovakia and Austria, resulted in increased takings of foreign wheat, principally Plates and Hungarian. Germany, as usual, confined her purchases of foreign wheat to the best grade Manitobas.

The stocks situation is gradually showing some improvement. European port stocks on February 15, were considerably below those of a month ago, though still larger than on the corresponding date last year. Farm stocks in all countries have declined, and in Germany it is now evident that the feeding of wheat has increased, as a result of this year's surplus. Second-hand stocks in Germany, however, continue to increase. (Table on stocks, see page 26).

1/ Based on reports of the Berlin office of the Bureau of Agricultural Economics.

Table 12 .- Continental European stocks of wheat, January and February, 1933 and 1934

Position	1933 Jan.	1933 Feb.	1934 Jan.	1934 Feb.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Antwerp	1/ 2,361	1/ 2,039	1/ 1,783	1/ 1,756
Rotterdam	1/ 1,139	1/ 1,396	1/ 3,491	1/ 2,756
Wheat stocks 12 principal continental ports (includes above two ports)	1/ 7,115	1/ 5,985	1/ 7,278	1/ 6,675
Berlin (wheat and flour)	2/ 2,069	2/ 1,693	2/ 2,160	2/ 2,217
Hamburg (rough estimate)	1/ 1,139	1/ 478	1/ 459	1/ 404
Bremen & Brake	1/ 9	1/ 17	1/ 68	1/ 158
German farm stocks	2/ 93,475	2/78,410	2/99,023	2/78,521
German "second-hand" stocks 3/ (wheat and flour)	2/ 32,672	2/32,143	2/49,603	2/53,520
Swedish mill stocks of wheat	2/ 2,624	2/ 2,295	2/ 3,636	

1/ Middle of month. 2/First of month.
3/ In warehouses and flour mills. These totals are estimated to include 95 percent of all stocks in warehouses and flour mills, and therefore must contain most of the Berlin, Hamburg, and Bremen-Brake data.

The condition of winter-sown crops on the Continent is less favorable than at this time last year. The weather has been mild and snow-cover has never lasted for long at a time. This mild weather, however, has been interspersed with several periods of extreme cold, and it appears probable that winter kill will be somewhat higher than in the past 2 years, though this factor is seldom of very great importance. Reports of unfavorable crop conditions have been received from several countries, particularly France and Poland.

The condition of the winter-sown crops in Germany is regarded as satisfactory in spite of the changeable weather. There are many complaints, however, of damage from mice. Some sowings of spring wheat have been reported as a result of the spells of mild weather experienced during the past month. Spring field work may possibly be started earlier than usual as precipitation has been below normal during the entire winter.

Fertilizer sales are reported to be higher than a year ago, but even so, average yields are likely to be lower than during the past 2 years if normal weather conditions are experienced.

Weather conditions during January in Austria were not favorable to winter crops. Fields were at times without any snow-cover and at other times covered with a frozen snow-crust. Winter rye in particular is reported to have deteriorated. The condition of wheat on February 1, was about the same as a year ago, but the condition of rye and barley was lower.

The recent official estimate of the 1933 fall-sown wheat acreage in Czechoslovakia places the area at 2,233,000 acres, an increase of 3.4 percent over the previous year's sowings.

Cold weather has been experienced in Belgium, but the snow-cover has apparently been sufficient.

Free-trading in grain in Soviet Russia has now been in existence for some time. As described in previous reports, the so-called "free-trading" has been directed largely into the hands of the Consumers' Cooperatives which, in turn, are under governmental control. These cooperatives do not pay such high prices for grain as can be obtained on the true open market. The cooperatives, however, have the advantage that in many cases they can offer the seller of the grain, industrial goods at reasonable prices, since these goods are almost unobtainable except through the cooperatives. The grain producer is thus practically compelled to turn his grain over to these organizations if he wishes to purchase anything in return. The quota of the cooperative grain purchases has been placed at 60,188,000 bushels of 60 pounds, but up to February 1, only about 6,620,680 bushels had been obtained. It was reported that purchases in the Middle Volga, Tatar, Gorki and Moscow regions had been satisfactory, but that in other regions the grain was not so readily obtainable. This is especially true of Ukraine and North Caucasus as well as the Central Fertile regions and parts of the Lower Volga and Ural regions. As was to be expected, there are many complaints of bureaucracy in the Consumers' Cooperatives, and the amount of goods available for sale is far too small.

The use to which the government will put the grain obtained through the Consumers' Cooperatives has not been made known though some of it may eventually be used to lower the bread prices. With regard to this latter point, the government has already taken some action since, as stated by Mikojan, Commissar for Nutrition, the expected reduction in free market prices, as a result of free grain trading, did not materialize. The government has, therefore, sold grain and other agricultural products in so-called "open shops". In this way it is claimed that the prices of rye bread were reduced 61 percent in Gorki, 56 percent in Taganrok, 55 percent in Kasan and 45 percent in Ivanoff. Wheat bread prices were reduced 45 percent in Gorki and 52 percent in Kasan. It was also stated that the government had effected a decline in the prices of meat, vegetables, and other foodstuffs. The Commissariat of Nutrition now operates about 5,600 stores, of which 5,100 are bread shops, 63 meat shops, 93 dairy shops and 95 general food shops.

The method of assessing the grain tax in kind proved so successful in 1933 that the same system has been retained for 1934. While it is doubtful that the government obtained as much grain through the tax as was planned, the system is unquestionably more workable than the old procuring system, and, therefore, more desirable from the government's viewpoint. A decree dated February 10, and signed by Stalin and Molotov, provides that the grain taxes for 1934 shall be about the same as in 1933. As previously mentioned, however, the grain tax in the far eastern regions, particularly the Siberian and Mongolian Republics, will be removed during the next 3 to 10 years in order to encourage settlement in these regions. The taxes have also been reduced to some extent in the Central Fertile regions, Middle Volga, Lower Volga, Kazakstan, Uesbekistan and the Starobelski district of Ukraine, reductions as compared with last year ranging from 9 to 17 percent. The following table shows grain taxes in kind for the more important regions, both last year and this.

Grain tax in kind in bushels of 60 pounds per acre

	For collectives not encompassed by machine tractor stations		For collectives encompassed by machine tractor stations	
	1933	1934	1933	1934
	Bushels	Bushels	Bushels	Bushels
Ukraine	4.6	4.6	3.7	3.7
North Caucasus.....	3.7	3.7	3.1	3.1
Middle Volga	3.4	3.3	2.7	2.4
Lower Volga	3.3	3.0	2.7	2.4
Central Fertile....	4.5	4.0	3.9	3.3
Western Siberia....	3.7	3.7	3.1	3.1
Kasakstan	3.0	2.5	2.2	1.9
Ural	2.8	2.8	2.2	2.2
Moscow	2.5	2.5	1.9	1.9
Gorki	2.4	2.4	1.8	1.8

The proceeds of the grain tax are expected to be about the same as in 1933. The removal of the tax in certain regions is being offset by a certain increase in acreage in other regions where taxes have been maintained on last year's levels.

The crop acreage to be sown in the spring of 1934 is apparently to be somewhat smaller than that sown in 1933. The 1934 plan calls for 229,798,000 acres 1/, compared with 234,745,000 acres planned for 1933 and 230,070,000 acres 2/, actually sown last year. As can be seen from the following table, the bulk of the acreage falls to the lot of the collectives.

1/ As stated by the Council of People's Commissars and the Central Executive Committee of USSR. on January 30, 1934. This figure differs slightly from the previously reported figure of 230,174,000 acres, which was mentioned in the decree of the IV Session of the Central Executive Committee, per December 31, 1933.

2/ Reported by the Commissariat of Agriculture of USSR on July 10,1933. The latest figures for the acreage of all crops for the 1933 harvest amounts to 320,489,000 acres, which would, after deduction of the 91,674,000 acres reported by the International Institute of Agriculture at Rome as sown in the fall of 1932 - leave a total spring acreage in 1933 of 228,815,000 acres thus differing somewhat from the above mentioned figure. However, as no other figures on the distribution by sectors are available, for the 1933 spring campaign, the preliminary figures of the Commissariat of Agriculture were used.

All spring crops

	1933 plan	1933 actual sowings	1934 plan 1/
	1,000 acres	1,000 acres	1,000 acres
Collectives ..	165,087	168,448	168,853
Soviet farms .	24,834	27,216	29,331
Individual peasants	44,824	2/ 34,406	31,614
Total	234,745	3/230,070	229,798

1/ As stated by the Council of People's Commissars and the Central Executive Committee of USSR. on January 30, 1934. This figure differs slightly from the previously reported figure of 230,174,000 acres, which was mentioned in the decree of the IV. Session of the Central Executive Committee, per December 31, 1933.

2/ Including 3,202,000 acres sown by members of collectives for individual use and account.

3/ Reported by the Commissariat of Agriculture of USSR. on July 10, 1933. The latest figure for the acreage of all crops for the 1933 harvest amounts to 320,489,000 acres, which would, after deduction of the 91,674,000 acres reported by the International Institute of Agriculture at Rome as sown in the fall of 1932, leave a total spring acreage in 1933 of 228,815,000 acres thus differing somewhat from the above mentioned figure. However, as no other figures on the distribution by sectors are available, for the 1933 spring campaign, the preliminary figures of the Commissariat of Agriculture were used.

Although the total acreage of spring crops is to be changed very little, the plan provides for an increase in the chief grain crops and a corresponding reduction in the acreage of technical crops. This is in line with the aims of the second 5-year plan, of which 1934 is the second year. An increase of over 11 percent in the barley acreage is due to the government's desire to increase hog production. The following table shows the distribution of the spring acreage. The increased grain acreage and the planned reduction in the technical crops is readily apparent.

Distribution of spring acreage

	1933 plan	1933 actual sowings	1934 plan
	1,000 acres	1,000 acres	1,000 acres
Spring wheat	57,327	55,437	57,426
Oats	40,277	41,224	41,945
Spring barley	2,743	17,005	18,970
Cotton	5,115	5,066	4,794
Sugar beets	2,965	2,990	3,146
Flax	5,683	5,930	5,330
Sunflower ..	---	9,583	8,335

The spring sowing plan according to regions is not yet available except for the collectives. Since, however, these comprise about 83.5 percent of the total wheat acreage, they are fairly indicative of the changes to be brought about in that crop at least. The total wheat acreage is to be increased by about 3.6 percent, whereas the wheat acreage on collective farms is to increase only 2.1 percent. This would indicate that the planned acreage of wheat for the Soviet farms has been greatly increased, since it is very unlikely that the individual peasants will increase their operations. It is also apparent from the plan that the grain acreage in the so-called consuming region of the Union is to be increased. For example, the plan calls for tripling the acreage in the Gorki region and almost double last year's in the Western region. On the other hand, the spring wheat acreage is to be reduced 3 percent in Ukraine, 31 percent in North Caucasus and 11 percent in the Lower Volga region.

The usual complaints of unsatisfactory progress of the tractor repairing campaign and other preparatory work for the spring sowing operations are appearing in the Press. For the Union as a whole, 66 percent of the necessary tractor repairs had been made by February 15, this year, compared with 41 percent on the same date a year ago. Due to the larger number of tractors in use this year, the total repairs still to be completed are probably not far different from those at this time last year. The progress of the repair work in the southern regions was least satisfactory, as the work there should be finished not later than March 5. The lack of spare parts has been a great handicap. This is especially true of the parts for imported tractors.

Sowing has already commenced in some sections of southern North Caucasus, Middle Asia and other extreme southern regions. There have also been some experimental sowings in frozen soil in Crimea, the total sowings to be made in this way amounting to 20,000 acres.

The Wheat Situation in the Lower Danube Basin 1/

The acreage of wheat planted in the Danube Basin in the fall of 1933 is now estimated at 17,564,000, as compared with 17,297,000 acres forecasted on December 20. Seeding in the fall of 1932 totaled 18,962,000 acres, whereas average fall seeding between 1927-1931 totaled 18,933,000 acres. The Bulgarian winter wheat acreage seeded in the fall of 1933 is about 4 percent larger than in 1932, and about 3 percent larger than the 1927-1931 average. Hungarian and Rumanian official reports show considerable decreases in comparison with 1932, whereas no official statement is available from Yugoslavia to date.

Exports from July 1, 1933, to February 28, 1934, total about 24,026,000 bushels, of which 20,462,000 bushels were of Hungarian origin.

Exports during February are forecast to total about 2,400,000 bushels, of which 2,200,000 bushels are of Hungarian origin. Austria was a consistant buyer for Hungarian wheat during February. Switzerland granted a 2,205,000 bushel quota to Hungary, to be delivered between February 20, and June 15, 1934, in payment of Swiss claims. The Austrian State Railways have granted

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1/ From a report of the Belgrade office of the Bureau of Agricultural Economics, Belgrade Yugoslavia, February 21, 1934.

a freight reduction for the transit shipment of this wheat. About 1,100,000 bushels of Hungarian wheat were sold in Great Britain during February, for delivery at the opening of river navigation. France has purchased some wheat for March-May delivery, in payment of foreign claims against Hungarian debtors.

In expectation of better prices later in the season, farmers have shown considerable reservation in selling wheat in all Danube Basin countries except in Bulgaria.

The Bulgarian Government established complete monopoly of the wheat and rye trade on January 26. The Government Grain Bureau has been charged to carry out the monopoly operations, buying wheat from farmers on the basis of 76 kilogram per hectoliter (59 pounds per bushel), no foreign matter content, at 270 Leva per quintal (98 cents per bushel at current exchange on March 15). The same wheat is resold to mills at 380 Leva per quintal ($1.38 per bushel).

The Hungarian Government has also announced its intention to abolish the grain-ticket system on July 1, and to replace it by a monopoly. According to statements made by the Hungarian Minister of Agriculture, a minimum price will be secured by means of a complete or partial monopoly, or simply by the determination and enforcement of minimum prices. Farmers will be prevented from increasing their wheat acreage, in order not to jeopardize the operations of the monopoly.

According to official data, the acreage of wheat sown in the fall of 1933 in Greece amounts to about 1,873,000 acres.

Table 13.- Wheat, including flour: Shipments from principal exporting regions, specified dates, 1932-33 and 1933-34

Date	Argentina		Australia		Danube		North America	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 2-July 29	3,264	14,140	7,672	8,728	208	0	22,896	14,296
July 30-Sept. 2	3,712	16,464	5,816	8,904	0	0	26,344	20,568
Sept. 3-Sept. 30	3,368	7,896	6,228	7,548	16	1,008	25,200	17,328
Oct. 1-Oct. 28	2,876	4,772	6,912	4,012	360	2,832	33,864	21,136
Oct. 29-Dec. 2	4,220	4,884	9,668	6,488	904	3,424	46,440	26,936
Dec. 3-Dec. 30	5,852	5,016	8,916	8,064	128	1,848	23,896	14,664
Week ended								
Jan. 6	1,944	1,060	4,368	1,024	0	352	3,896	3,616
13	2,380	2,400	6,456	1,968	0	72	6,760	4,360
20	4,284	3,148	6,392	2,976	0	280	5,224	5,184
27	3,620	4,064	5,092	3,320	0	256	4,320	4,080
Feb. 3	3,444	3,564	5,200	2,648	0	272	4,680	4,992
10	4,440	4,192	7,160	2,160	0	96	3,064	3,880
17	5,184	4,096	6,584	1,988	0	24	5,496	3,696
24	4,324	4,020	7,888	2,588	0	224	3,528	4,239
Mar. 3	3,360	2,628	6,624	1,352	0	24	5,168	4,014
10	4,552	4,940	7,568	2,030	0	24	5,856	3,920
Total, July 1-Mar. 10	60,824	87,284	108,544	65,798	1,616	10,736	226,632	156,909

Compiled from Broomhall's Corn Trade News.

Table 14 .- United States: Exports of wheat and wheat including flour, by weeks, 1932-33 and 1933-34

Date	Wheat		Wheat flour		Wheat including flour	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 2-July 29	1,962	21	206	169	2,931	815
July 30-Sept. 2	3,841	19	306	249	5,279	1,189
Sept. 3-Sept.30	1,692	133	202	156	2,642	865
Oct. 1-Oct. 28	2,030	13	209	121	3,013	581
Oct. 29-Dec. 2	2,932	932	312	165	4,399	1,707
Dec. 3-Dec. 30	810	3,393	241	199	1,942	4,328
Week ended						
Jan. 6	596	837	49	66	826	1,147
13	302	341	49	52	532	585
20	126	816	34	62	286	1,107
27	76	874	77	30	438	1,015
Feb. 3	245	47	44	57	452	315
10	275	1,384	47	52	496	1,628
17	25	85	71	36	359	254
24	4	863	43	44	206	1,070
Mar. 3	218	963	67	70	533	1,292
10	51	150	26	49	173	380

Division of Statistical and Historical Research. Compiled from a weekly report of the Bureau of Foreign and Domestic Commerce.

Table 15.- Wheat, including flour: Net imports into European countries, 1931-32 to 1933-34

Country	1931-32	1932-33	Net imports reported		
			July 1, to	1932-33	1933-34
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	245	217	Jan.31	121	126
Italy	33	13	Nov.30	4	2
Belgium	43	41	Dec.31	21	19
France	81	38	Nov.30	29	9
Netherlands	31	26	Dec.31	14	17
Germany	22	9	Jan.31	2	1/ -6
Greece	24	20	Aug.31	3	3
Irish Free State	20	18	Dec.31	9	10
Switzerland	21	19	Jan.31	12	11
Austria	14	13	Dec.31	6	4
Czechoslovakia	20	7	Dec.31	1	1
Denmark	17	12	Jan.31	8	8
Norway	9	8	Jan.31	5	5
Finland	4	4	Nov.30	2	2
Sweden	7	4	Jan.31	3	1
Poland	1/ -3	1/ -1	Dec.31	2/	3/
Portugal	2	3	Sept.30	2	3/
Latvia	1	3/	Oct.31	3/	0
Estonia	1	3/	Nov.30	3/	3/
Spain	2	8	Dec.31	8	2/
Total	599	459		250	212

Division of Statistical and Historical Research. Compiled from official sources.

1/ Net exports
2/ Net exports of less than 500,000 bushels.
3/ Less than 500,000 bushels.

Table 16.-Wheat, including flour: Movement from principal exporting countries, 1930-31 to 1933-34

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1930-31	1931-32	1932-33	1931-32	1932-33	1933-34	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	131,475	135,797	41,211	90,449	31,950	18,608	Jan. 31
Canada	267,365	199,563	267,342	143,065	201,349	139,223	Feb. 28
Argentina	120,638	144,920	120,272	75,731	58,095	86,556	Feb. 28
Australia	143,296	155,451	148,060	45,042	34,732	34,694	Nov. 30
Russia	111,780	71,829	19,183	63,076	14,355	20,262	Nov. 30
Hungary	18,425	18,064	7,010	3,572	2,351	6,782	Sept. 30
Yugoslavia	5,337	15,365	1,169	10,082	782	398	Nov. 30
Rumania	16,072	37,481	186	31,758	174	134	Nov. 30
Bulgaria	5,041	11,795	3,144	4,497	1,023	1,721	Oct. 31
British India (L & S)	10,197	1/2,913	1/ 871	1,942	579	383	Dec. 31
Total	829,626	793,178	608,448	469,214	345,390	308,761	

	Shipments as given by trade sources						
	Total		Week ended			July 1 - Mar. 10	
	1931-32	1932-33	Feb. 24	Mar. 3	Mar. 10	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	355,638	298,504	4,259	4,014	3,920	226,632	156,909
Canada, 4 markets 3/	206,258	289,257	1,822	1,673	1,097	205,742	132,870
United States	135,797	41,211	1,070	1,292	380	34,833	23,544
Argentina	144,576	115,412	4,020	2,628	4,940	60,824	87,284
Australia	161,288	153,400	2,588	1,352	2,030	108,544	65,798
Russia 4/	71,664	17,408	0	0	328	17,208	25,864
Danube and Bulgaria 4/	39,280	1,704	224	24	24	1,616	10,736
British India	5/2,913	5/ 871	0	0	0	0	0
Total 6/	753,359	587,299	11,071	8,018	11,242	414,824	346,591
Total European shipments 2/	597,976	448,672	8,456			7/301,680	7/270,464
Total ex-European shipments 2/	194,464	164,256	3,260			7/101,736	7/79,152

1/ Sea Trade only.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, and Prince Rupert and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To February 24.

Table 17-Wheat: Acreage, production, and yield per acre in specified countries, 1921-22 to 1933-34

Crop year	United States	Canada	Argentina 1/	Australia	Europe 2/ Danube	Europe 2/ Other	Russia
	Acreage						
	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres
1921-22	64.6	23.3	14.2	9.7	15.0	49.2	38.4
1922-23	61.4	22.4	16.3	9.8	16.1	49.1	22.3
1923-24	56.9	21.9	17.2	9.5	16.2	49.9	39.2
1924-25	52.5	22.1	17.8	10.8	18.1	49.3	54.4
1925-26	52.4	20.8	19.2	10.2	18.5	50.8	61.5
1926-27	56.8	22.9	19.3	11.7	18.7	51.3	73.9
1927-28	59.6	22.5	20.7	12.3	18.9	52.4	77.4
1928-29	59.2	24.1	22.8	14.8	19.6	51.8	68.5
1929-30	63.3	25.3	20.5	15.0	18.3	51.8	73.5
1930-31	62.7	24.9	21.3	18.2	20.0	53.6	80.5
1931-32 3/	57.1	26.2	17.3	14.7	20.9	55.0	92.1
1932-33 3/	57.2	27.2	19.8	15.7	18.8	56.5	85.5
1933-34 3/	47.5	26.0	19.7	14.9	19.9	57.7	82.1
	Production						
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1921-22	819	301	191	129	213	1,011	205
1922-23	847	400	196	109	224	821	243
1923-24	759	474	248	125	260	997	419
1924-25	840	262	191	165	204	854	480
1925-26	669	395	191	115	296	1,101	785
1926-27	834	407	230	161	294	922	914
1927-28	875	480	282	118	272	1,002	797
1928-29	913	567	349	160	367	1,043	807
1929-30	822	305	163	127	303	1,147	694
1930-31	890	421	232	214	353	1,007	989
1931-32 3/	932	321	220	191	371	1,064	786
1932-33 3/	744	443	235	213	324	1,267	744
1933-34 3/	527	270	256	160	365	1,339	1,019

Crop year	World, excl. Russia and China: Acreage	World, excl. Russia and China: Yield per acre	World, excl. Russia and China: Production	World, excluding China: Acreage	World, excluding China: Yield per acre	World, excluding China: Production
	World totals					
	Million acres	Bushels	Million bushels	Million acres	Bushels	Million bushels
1921-22	224.6	14.2	3,179	263.0	12.9	3,384
1922-23	226.4	14.1	3,203	248.7	13.9	3,446
1923-24	226.9	15.5	3,519	266.1	14.8	3,938
1924-25	224.4	13.9	3,126	278.8	12.9	3,606
1925-26	230.0	14.7	3,380	291.5	14.3	4,165
1926-27	239.0	14.6	3,495	312.9	14.1	4,409
1927-28	242.3	15.2	3,671	319.7	14.0	4,468
1928-29	251.8	15.9	3,993	320.3	15.0	4,800
1929-30	253.1	14.1	3,570	326.6	13.1	4,264
1930-31	259.4	14.8	3,845	339.9	14.2	4,834
1931-32 3/	253.4	15.1	3,822	345.5	13.3	4,608
1932-33 3/	258.7	14.7	3,805	344.2	13.2	4,549
1933-34 3/	246.4	14.7	3,620	328.5	14.1	4,639

1/ Area sown. 2/ Excludes Russia. 3/ Preliminary.

Table 18 .- Wheat: World supply, price and disappearance, 1921-22 to 1933-34

Year	Production: United States	Production: Canada	Production: Argentina	Production: Australia	Production: Europe 1/	Production: All other 2/	Production: World production 2/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1921-22....	819	301	191	129	1,224	515	3,179
1922-23....	847	420	196	109	1,045	606	3,203
1923-24....	759	474	248	125	1,257	656	3,519
1924-25....	840	262	191	165	1,058	610	3,126
1925-26....	869	395	191	115	1,397	613	3,380
1926-27....	834	407	230	161	1,216	647	3,495
1927-28....	875	480	282	118	1,274	642	3,671
1928-29....	913	567	349	160	1,410	594	3,993
1929-30....	822	305	163	127	1,450	703	3,570
1930-31....	890	421	232	214	1,360	728	3,845
1931-32 3/	932	321	220	191	1,435	723	3,822
1932-33 3/	744	443	235	213	1,491	679	3,805
1933-34 3/	527	270	256	160	1,704	703	3,620

Year	Shipments from Russia	Stocks accounted for July 1 4/	Total supply	Total disappearance	Average price per bushel: British parcels (simple average)	Average price per bushel: No. 2 Hard Winter at Kansas City (weighted average)
	Million bushels	Million bushels	Million bushels	Million bushels	Cents	Cents
1921-22....	5/	309	3,488	3,195		120
1922-23....	1	293	3,497	3,185	136	113
1923-24....	21	312	3,852	3,505	121	105
1924-25....	6/	347	3,473	3,191	179	135
1925-26....	27	282	3,689	3,401	170	163
1926-27....	49	288	3,832	3,496	164	135
1927-28....	5	336	4,012	3,590	154	135
1928-29....	6/	422	4,415	3,798	129	112
1929-30....	7	617	4,194	3,611	131	120
1930-31....	112	583	4,540	3,873	80	76
1931-32 3/	72	667	4,561	3,863	59	47
1932-33 3/	19	698	4,522	3,737	54	51
1933-34 3/		785				

1/ Excludes Russia. 2/ Excludes Russia and China. 3/ Preliminary.
4/ Estimates of stocks represent carry-over in the United States and supplies available for export and carry-over in Argentina, Australia and Canada, the United Kingdom port stocks and supplies afloat.
5/ Not available. 6/ Less than 500,000 bushels.

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WORLD WHEAT PROSPECTS

Summary

Present prospects suggest that Northern Hemisphere wheat supplies outside Russia may not be greatly different from those of last year, according to the United States Bureau of Agricultural Economics. Prospects are that the July 1 surplus for export or carry-over in the four principal exporting countries will be under last year's level by 100,000,000 bushels or more. The North American wheat crop will presumably be considerably larger than last year though any satisfactory forecast of its outturn is as yet impossible. The winter wheat crop of the United States has been forecast at 492,000,000 bushels compared with last year's crop of 351,000,000. Spring wheat yields in the United States and Canada will depend upon weather conditions during the next 3 months, but it is to be expected that yields will be larger than last year. In Europe, where most of the crop is winter wheat, prospects are still somewhat uncertain, but it seems likely that total production will be considerably smaller than that of last year. In the lower Danube Basin dry weather has damaged late sown grain and early sown fields may have yields reduced even though the moisture has been sufficient for a favorable early development of the crop. In the remainder of Europe the condition of winter wheat appears to be generally good except in Italy and parts of Spain. Early season condition of the crop in the more humid parts of Europe, however, has not proven to be a good indication of subsequent yields and it does not seem likely that the high average yields of last year will be repeated this year.

Prices in the United States are still far above the world market level, and there is much uncertainty as to whether they will stay above or decline relative to Liverpool prices. In recent weeks there has been a little improvement in world market prices, but the outlook for the new crop year suggests only a moderate further improvement. The recent proposal for a system of minimum prices to be carried out by the wheat exporting countries is still to be submitted to the governments of the various countries concerned. If the proposal should be approved by the governments and put into operation, it might materially change price prospects in the future, but it would apparently provide for only a slight advance in the world wheat price level at the start.

Area Sown and Crop Conditions

The winter wheat sowings in the 21 countries for which estimates are now available total 155,995,000 acres compared with 157,896,000 acres in the same countries last year when they represented about three-fourths of the total winter and spring wheat acreage in the Northern Hemisphere exclusive of Russia and China.

In the United States a winter wheat crop of 491,793,000 bushels is indicated by the April 1 condition, this forecast, however, takes account of abandonment due to usual causes only. It makes no allowance for abandonment occasioned by acreage reduction contracts. Winter wheat production last year was 351,030,000 bushels. The April 1 condition was reported at 74.3 percent of normal compared with 59.4 percent on April 1 last year and the 10-year average of 79.2 percent.

The winter wheat acreage in Canada is about 6 percent above last year but winter wheat in Canada is relatively unimportant, its area amounting to only about 2 percent of the total. An unofficial report on farmers' intentions to plant spring wheat will be issued May 9. Spring wheat yields both in the United States and Canada depend largely upon weather from April to July, and are at the present time correspondingly uncertain. However, it does not seem likely that the unusually low yields of last season will be repeated this year.

The wheat area in 15 European countries is reported at 70,185,000 acres compared with 71,840,000 acres last year. The estimate of the area sown in Poland is the only new estimate added to the total since the report issued on March 27. Agricultural Attache Michael at Belgrade in a report dated March 28 stated that the early sown winter wheat in the Danube Basin continued to be in good condition, but the late sown fields are in many places thin and undeveloped. The continued dry weather is said to have done no harm to the growing crops, since sufficient rain fell

in most sections after March 15. The Rumanian Government is urging farmers to seed as much spring wheat as possible to offset the decrease in the winter area.

In the central and northern European countries winter wheat crops appear to have come through the winter without serious damage, with the exception of the crops in Belgium and Czechoslovakia, according to Assistant Agricultural Attaché Christy at Berlin. In Belgium alternate freezing and thawing resulted in considerable damage and it is thought that much of the late sown winter wheat will be ploughed under. Mr.Christy, however, believes that the winter-killed area in Czechoslovakia was not as extensive as has been reported.

Table 1.- Wheat: Winter area in specified countries, 1931-1934

Country	Year of harvest			
	1931	1932	1933	1934
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
United States	45,240	42,348	42,692	41,002
Canada	560	568	595	631
Total (2)	45,800	42,916	43,287	41,633
Czechoslovakia	1,962	1,997	2,160	2,233
England and Wales	1,197	1,288	1,660	1/ 1,760
France	11,330	12,894	12,863	12,770
Germany	4,653	4,882	5,051	4,927
Greece	1,496	1,480	1,732	1,873
Italy	11,995	12,075	12,504	11,806
Latvia	149	173	183	190
Lithuania	379	409	393	403
Poland	4,137	3,885	3,741	3,711
Portugal	1,271	1,463	1,423	2/ 1,458
Spain	11,245	11,248	11,168	11,490
Total (11)	49,814	51,794	52,878	52,621
Bulgaria	3,028	3,102	2,882	2,985
Hungary	4,058	3,878	3/ 3,879	3/ 3,706
Rumania	7,863	6,517	3/ 7,042	3/ 6,178
Yugoslavia	5,275	5,142	3/ 5,159	3/ 4,695
Total (4)	20,224	18,639	18,962	17,564
Total Europe (15)	70,038	70,433	71,840	70,185
Algeria	3,640	3,736	3,993	3,385
Morocco	2,537	2,713	3,210	2/ 2,718
Tunisia	1,977	2,392	1,754	2/ 2,150
Egypt	1,649	1,762	1,426	1,421
Total (4)	9,803	10,603	10,383	9,674
India	31,028	33,747	32,386	34,503
Total, 21 countries	156,669	157,699	157,896	155,995

Compiled from official sources and reports of the International Institute of Agriculture except as otherwise noted.

1/ Reported to be 6 percent above the 1933 area.

2/ Estimated in the Paris office of the Bureau of Agricultural Economics.

3/ Estimated in the Belgrade office of the Bureau of Agricultural Economics.

Agricultural Attache Nielsen at Paris in a report dated March 28 gave the following summary of the outlook in the countries of the Mediterranean Basin. In France the rain and comparatively mild weather during March improved the condition of the crop, and the production at the present time promises to be no less than average and very likely better. In Italy spring sowings are being made on a larger scale than usual with the object of planting some of the winter wheat area that could not be sown as a result of the unfavorable weather. The total area, however, appears to be slightly below last year. The weather during March was cold and rainy, so that progress in growth was not great. The condition of the crop is considered fair rather than good and prospects at the present time are for a crop about 10 percent below last year's. In Spain the area is thought to exceed that of 1933. The crop in southern Spain is very promising, while in the north and center low temperatures have delayed growth. The condition of the crop in northern Spain, however, is such as to promise a comparatively large crop, provided the weather is soon mild and rainy. Dry cold weather had an unfavorable reaction on the growth of the crop in Portugal. A good crop may be harvested if rainfall is ample in the coming weeks.

To summarize the situation for Europe outside Russia, it may be said that this year's crop seems likely to be smaller than that of last year. In the lower Danube Basin dry weather has damaged late sown grain and early sown fields may have yields reduced even though the moisture has been sufficient for a favorable early development of the crop. In the remainder of Europe the condition of winter wheat appears to be generally good except in Italy and parts of Spain. Early season condition of the crop in the more humid parts of Europe, however, has not proven to be a good indication of subsequent yields and it does not seem likely that the high average yields of last year will be repeated this year. In Germany, for example, where condition figures as of April 1 are available for past years, April 1 condition is not closely correlated with subsequent yields. Such correlation as does exist is inverse, there being a tendency for good condition of the crop the first of April being associated with lower than average yields. Last year's yields for Europe as a whole were exceptionally high, and the principal reason for believing that this year's crop will be smaller lies in the expectation that the unusually high yields of last year will not be repeated this year. The accompanying tables show yields and acreages of wheat in European countries for the years 1924 to 1933. It will be noted that in 1933 the yield for Europe as a whole was 21.9 bushels per acreage as compared with an average yield for the 10 years of 191.1 bushels per acre. The average yield in 1933 was higher than in 1929 by more than 1 bushel per acre.

In Russia attention is concentrated on the spring sowing campaign which in some sections of the southern regions is in full swing. Last year, Crimea and the extreme south of Ukraine were covered with snow until about the middle of March, but the snow had melted in these regions by the beginning of March this year. Crimea is reported to have sown about 60 percent of all early spring crops by March 20, and the same percentage was reported for the Dnepropetrovsk region of Ukraine where fully 1,000,000 acres of early spring crops were sown by March 20, compared with only a few hundred acres at the same time a year ago. Total sowings in Ukraine amounted to 3,700,000 acres on March 20 this year, or 36.6 percent of the plan for all early spring crops, whereas as late as April 5, last year, only 2,700,000 acres were sown. There are numerous complaints from individual

regions that the early setting-in of warm spring weather found local organizations and collectives unprepared for the field work.

The practice of extremely early sowing (sowing by hand in the mud immediately after the snow has melted in the dry regions and after the thawing of the soil in other regions) has taken place to a much greater extent than heretofore. According to the plan of the Commissariat of Agriculture, 9,664,000 acres are to be sown that way in the total Union.

Table 2.- Wheat: Yield per acre in European countries, 1924-1933

Country	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	Average
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Austria	17.6	22.0	18.9	23.7	25.1	22.4	23.6	21.3	22.8	31.8	22.9
Belgium	38.3	39.7	33.2	41.6	42.2	37.1	32.2	36.3	39.8	40.5	38.4
Bulgaria	9.9	13.2	14.0	15.8	17.5	12.5	19.1	20.9	16.4	19.3	16.2
Czechoslovakia	21.4	25.7	23.2	25.5	27.6	25.9	25.8	20.1	26.0	32.1	25.2
Denmark	39.4	49.1	34.8	34.3	48.5	45.3	41.0	38.8	44.9	44.0	42.0
England and Wales	32.9	33.8	30.6	32.5	33.9	35.7	29.7	30.0	32.0	35.4	32.6
Estonia	12.3	15.6	14.9	13.1	14.8	15.4	18.2	17.6	16.3	15.8	15.7
Finland	21.4	24.6	23.8	24.2	21.7	22.5	24.7	24.9	25.1	24.6	23.8
France	20.6	23.8	17.9	21.1	21.7	25.3	17.2	20.6	24.8	25.4	21.8
Germany	24.6	30.8	24.1	27.9	33.2	31.1	31.6	29.0	32.6	36.0	30.1
Greece	6.7	9.8	9.5	10.5	9.8	9.2	6.8	7.5	13.7	14.3	9.8
Hungary	14.7	20.3	20.2	19.1	23.9	20.2	20.1	18.1	17.0	23.0	19.7
Irish Free State	31.3	33.7	33.8	41.8	38.3	40.8	40.4	37.2	39.6	1/	---
Northern Ireland	30.8	32.2	37.7	35.8	36.6	35.5	34.2	35.3	40.3	37.8	35.6
Italy	16.1	20.6	18.2	15.9	18.6	22.1	17.6	20.6	22.7	23.7	19.5
Latvia	14.9	19.3	15.2	18.2	15.2	16.1	22.7	15.8	20.8	21.8	17.9
Lithuania	15.3	19.1	13.8	17.7	16.1	19.1	21.8	17.4	18.5	16.4	17.6
Luxemburg	14.4	20.6	19.4	19.3	19.3	13.1	17.7	17.7	23.2	25.6	19.0
Netherlands	39.2	43.5	41.6	40.2	49.6	48.8	42.6	35.2	43.2	44.8	42.9
Norway	23.1	22.3	26.6	24.7	28.1	25.4	23.6	20.4	26.8	27.5	24.8
Poland	11.9	19.9	16.2	18.2	18.6	18.7	20.2	18.5	11.6	16.3	17.0
Portugal	10.2	11.9	8.1	10.8	6.8	9.9	12.3	10.2	12.8	10.6	10.4
Rumania	9.0	12.8	13.5	12.6	14.6	14.7	17.3	15.8	7.8	15.5	13.4
Russia	8.8	12.8	12.4	10.3	11.9	9.4	12.3	8.5	8.7	12.4	10.7
Scotland	37.0	41.5	38.7	36.2	39.9	42.5	39.4	35.8	43.1	44.5	39.9
Spain	11.7	15.2	13.6	13.4	11.6	14.5	13.2	12.0	16.4	12.4	13.4
Sweden	21.1	36.8	31.9	27.3	32.7	33.1	32.2	24.9	35.5	36.6	31.2
Switzerland	30.0	33.6	31.9	32.5	33.4	32.6	26.9	30.0	29.2	34.3	31.4
Yugoslavia	13.6	13.3	17.1	12.8	22.1	16.2	15.3	18.7	11.1	18.4	16.5
Europe, excluding Russia	15.7	20.2	17.4	17.9	19.7	20.7	18.5	18.9	19.8	21.9	19.1

Division of Statistical and Historical Research. Compiled from official sources and reports of the International Institute of Agriculture.

1/ Not available.

Table 3.- Wheat: Acreage in European countries, 1924-1933

Country	Harvest year									
	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Austria -										
Winter	453	454	470	476	486	489	486	495	513	
Spring	29	30	30	29	28	26	22	22	23	
Total ...	482	484	500	505	514	515	508	517	536	547
Belgium -										
Winter	337	362	348	387	403	346	409	375	383	
Spring	3	3	6	4	5	10	2	6	3	
Total ...	340	365	354	391	408	356	411	381	386	372
Bulgaria -										
Winter ...	2,437	2,496	2,574	2,633	2,782	2,635	2,979	3,028		
Spring ...	55	50	43	40	31	27	27	25		
Total ...	2,492	2,546	2,617	2,673	2,813	2,662	3,006	3,053	3,077	3,051
Czechoslovakia -										
Winter.....	1,342	1,373		1,745	1,816	1,961	1,901	1,950	1,969	2,157
Spring ...	168	156		103	102	84	64	97	95	114
Total ...	1,510	1,529	1,800	1,848	1,918	2,045	1,965	2,047	2,064	2,271
Denmark	149	199	252	274	252	260	249	259	245	259
England & Wales	1,545	1,500	1,592	1,636	1,396	1,330	1,316	1,197	1,288	1,660
Estonia -										
Winter	20	27	25	33	33	26	36	38	40	
Spring	24	24	34	34	37	56	54	61	88	
Total ...	44	51	59	67	70	82	90	99	128	155
Finland -										
Winter	22	23	23	27	26	23	24	29	32	
Spring	15	15	16	17	20	11	11	16	27	
Total ...	37	38	39	44	46	34	35	45	59	65
France -										
Winter	12,954	13,468	12,393	12,796	12,392	12,956	12,765	11,725		
Spring	666	404	578	269	564	380	514	1,115		
Total ...	13,620	13,872	12,971	13,065	12,956	13,336	13,279	12,840	13,428	13,358
Germany -										
Winter	3,142	3,501	3,596	3,925	3,836	3,632	3,996	4,653	4,883	5,011
Spring	481	334	361	396	433	323	405	702	752	716
Total ...	3,623	3,835	3,957	4,321	4,269	3,955	4,401	5,355	5,635	5,727
Greece	1,153	1,149	1,304	1,233	1,329	1,237	1,432	1,496	1,480	1,732
Hungary -										
Winter	3,462	3,479	3,653	3,973	4,089	3,648	4,122	3,951	3,747	
Spring	37	44	53	48	55	60	65	60	46	
Total ...	3,499	3,523	3,706	4,021	4,144	3,708	4,187	4,011	3,793	3,924
Irish Free State	33	22	29	34	31	29	27	21	21	50
Italy -										
Winter							11,780	11,738	12,010	12,409
Spring							137	145	175	158
Total ...	11,283	11,672	12,145	12,295	12,263	11,794	11,917	11,883	12,185	12,567

continued -

Table 3.- Wheat: Acreage in European countries, 1924-1933 - Cont'd

Country	Harvest year									
	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Latvia -										
Winter			76	106	120	96	128	149	173	183
Spring			46	39	44	49	51	66	82	126
Total ...	106	119	122	145	164	145	179	215	255	309
Lithuania -										
Winter	179	185	148	173	271	345	322	379	409	393
Spring	31	92	155	124	122	143	93	99	100	106
Total ...	210	277	303	297	393	488	415	478	509	499
Luxemburg ..	22	27	32	36	37	21	25	23	31	33
Netherlands-										
Winter	108	126	124	144	137	94	129	142	252	280
Spring	10	6	8	9	11	18	13	50	45	52
Total ...	118	132	132	153	148	112	142	192	297	332
Northern										
Ireland ...	5	4	6	6	5	4	5	3	3	6
Norway -										
Winter	1/	1/	1/	1	1/	2	2	2	2	3
Spring	21	22	22	24	28	28	28	27	26	25
Total ...	21	22	22	25	28	30	30	29	28	28
Poland -										
Winter					2,996	3,335	3,714	4,137	3,885	3,737
Spring					191	191	352	358	380	449
Total ...	3,157	3,202	3,246	3,360	3,187	3,526	4,066	4,495	4,265	4,186
Portugal ...	1,039	1,052	1,063	1,064	1,102	1,075	1,104	1,271	1,463	1,423
Rumania -										
Winter	6,631	7,236	7,605	7,017	7,281	6,130	6,873	7,863	6,517	
Spring	1,207	920	617	646	642	634	678	703	574	
Total ...	7,838	8,156	8,222	7,663	7,923	6,764	7,551	8,566	7,091	7,701
Russia -										
Winter			22,545	26,563	15,267	16,196	23,367			26,702
Spring			51,352	50,828	53,255	57,261	57,123			55,436
Total ...	61,528	54,362	73,897	77,391	68,522	73,457	80,490	92,066	85,500	82,138
Scotland ...	49	49	54	67	58	51	54	50	52	78
Spain	10,379	10,722	10,775	10,826	10,571	10,622	11,133	11,245	11,248	11,168
Sweden -										
Winter	244	303	310	482	482	482	530	532	577	
Spring	78	60	71	79	79	92	117	151	169	
Total ...	322	363	381	561	561	574	647	683	746	799
Switzerland	111	112	127	127	127	129	134	135	137	140
Yugoslavia-										
Winter	4,066	4,146	4,013	4,374	-	-	5,098		4,718	
Spring	178	161	165	147	-	-	148		102	
Total ...	4,244	4,307	4,178	4,521	4,683	5,213	5,246	5,289	4,820	5,256

Division of Statistical and Historical Research. Compiled from official sources and reports of the International Institute of Agriculture.

1/ Less than 500 acres.

Another feature which is frequently commented upon is the quality of the seed. While seed assembly was completed earlier than in previous years, reports toward the end of February indicated that the seeds were not in satisfactory condition. Reduced germinating capacity, admixture of foreign material and, in places, infestation with diseases has been reported. A decree was published February 25, signed by Molotov and Stalin, demanding thorough and rapid measures to improve the seed material by cleansing, fumigation, etc., as well as by organizing exchange of seeds between regions and collectives. The tractor repairing campaign has also been causing some anxiety, although it has developed at a much better pace than a year ago, and the quality of the work is reported to be better than last year.

Conditions prevailing in North Africa toward the end of March indicated a crop somewhat better than average in Tunisia, an average crop in Morocco, but a less than average crop in Algeria unless weather conditions there are particularly favorable during the coming months. The latest official report from Egypt stated that the condition of the crop was slightly below average.

The first estimate of the 1934 wheat production in the Punjab, India, is 128,785,000 bushels, compared with 109,947,000 bushels, the first estimate of the 1933 production, and with 121,520,000 bushels, the final estimate of the 1933 production. The wheat area in the Punjab is estimated at 10,921,000 acres and represents about 30 percent of the total wheat area in India. The estimate of the production of wheat in all India will not be released until later in the month.

United States Stocks and Prospective Supplies

Estimated April 1 farm stocks of wheat in the United States are lower than for the corresponding date of any year since 1928. April 1 farm stocks this year are estimated at 140,647,000 bushels compared with 182,935,000 as of the corresponding date last year, and 88,057,000 in 1928. This year's stocks, however, are only slightly below those of 1931 which were estimated at 118,772,000 bushels. The total of farm stocks plus commercial stocks (visible supplies) is also smaller than for any year since 1928, amounting this year to 211,779,000 bushels compared with 318,487,000 a year ago, and 156,848,000 in 1928. Though farm stocks are but little smaller than in 1931, commercial stocks are much smaller, amounting to 97,132,000 bushels this year compared with 213,583,000 in 1931. Consequently the 1931 total of farm stocks plus commercial stocks amount to 332,355,000 bushels compared with 211,779,000 for this year.

No official figures are as yet available for stocks in other positions, but using Murray's estimate of 74,000,000 bushels for country elevator and mill stocks, and a rough estimate of 100,000,000 bushels for stocks in merchant mills and in transit, we arrive at a total figure of 386,000,000 bushels for total wheat stocks as of April 1, this year. This compares with a last year's total of 528,778,000, and an average for the past 3 years of 521,429,000 bushels. During the months April, May and June wheat milled for domestic consumption may be expected to amount to about 120,000,000 bushels. Subtracting this from the total April 1 stocks, as roughly estimated above, leaves 266,000,000 bushels as the amount available for export or for carry-over into the new crop year. This corresponds closely with a figure of

269,000,000 bushels arrived at by subtracting from total supplies for the crop year, net exports to April 1, and an allowance of 627,000,000 bushels for domestic use, including 480,000,000 for flour, 76,000,000 for seed, and 71,000,000 bushels for feed. If net exports of wheat during the months April to June amount to no more than 10,000,000 bushels it seems likely that the total carry-over as of July 1 may be between 250,000,000 and 275,000,000 bushels.

The United States winter wheat crop is now officially forecast at 492,000,000 bushels, which is about 35,000,000 bushels smaller than the entire crop of winter and spring wheat harvested in 1933. As weather during the period April to July will be of prime importance in determining spring wheat yields, it is too early to forecast the spring wheat crop. However, with an acreage for harvest as indicated by intentions-to-plant and if yield should be average, the outturn of spring wheat would be about 240,000,000 bushels. The above figures for winter and spring wheat production make no allowance for the effect on wheat acreage of the reopening of the acreage reduction campaign or of other adjustments in acreage which may be made in order for farmers to comply with past or future contracts. It is consequently to be expected that winter wheat production will fall somewhat below that forecast on the basis of April 1 conditions and that actual spring wheat acreage harvested may be less than that indicated by intentions-to-plant.

World Trade and Surpluses

Shipments of wheat from the principal exporting countries declined during the latter part of March. Early in the month they had averaged over 11,000,000 bushels weekly, total shipments being 11,626,000 bushels for the week ended March 10, and 11,305,000 for the following week. They then declined, however, and for the week ended April 7, amounted to 8,119,000 bushels. Some increase is to be expected from this low level, though it is not expected that shipments during the months of April to June will average as high as during the corresponding period of 1933. The decline in shipments during the latter part of March was shared by each of the principal exporting regions. Argentine shipments declined from 4,934,000 bushels for the week ended March 10 to 2,412,000 for the week ended April 7. During the same period Australian shipments declined from 2,028,000 bushels to 1,323,000, and North American shipments from 3,904,000 to 3,328,000.

Exports of wheat from the United States have been larger in recent weeks than during the corresponding period of last year. Last year they were virtually no exports of wheat grain during March and April. Wheat flour exports have been about the same in both years, amounting to around 200,000 barrels per month. The increased exports this year over last year are due, of course, to the aid given to exporting from the Pacific Northwest. United States prices have been even higher relative to world markets than they were a year ago. If it were not for the export aid, it is to be presumed that either United States exports during recent months would have been smaller, or that United States prices would have been lower.

The surplus of wheat available for export of carry-over in the four principal exporting countries as of April 1, is estimated at 721,000,000 bushels this year compared with 854,000,000 last year and 821,000,000 in 1932. Adding to these totals United Kingdom port stocks and quantities afloat gives 773,000,000 bushels as a total for the current year, compared with

916,000,000 last year, and 895,000,000 bushels in 1932. If shipments from the exporting countries should average about 2,000,000 bushels less weekly during the months April to June than they did during the corresponding period of last year, the difference between the 1934 and the 1933 surplus would be reduced by about 25,000,000 to 30,000,000 bushels. With surplus stocks as of April 1 about 150,000,000 bushels smaller than they were a year earlier it is consequently to be expected that the stocks in these same positions as of July 1 may be expected to be in the vicinity of 120,000,000 bushels smaller than they were on the corresponding date of last year.

Table 4.- Wheat: Surplus for export or carryover in the principal exporting countries, and United Kingdom port stocks and stocks afloat, April 1, 1931 - 1934

Country	Apr. 1			
	1931	1932	1933	1934
	Million bushels	Million bushels	Million bushels	Million bushels
United States -				
Domestic wheat	339	415	394	269
Canadian wheat	12	11	6	6
Canada -				
Domestic wheat	214	196	259	1/ 235
United States wheat	5	28	.6	2
Argentina	112	79	100	112
Australia	112	92	89	97
Total	794	821	854	721
United Kingdom port stocks				
Wheat	12	14	9	(15
Flour (as wheat)	1	1	1	(
Afloat for United Kingdom	14	18	21	16
Afloat for Continent	21	25	18	8
Afloat for orders	13	16	15	13
Total	61	74	62	52
Grand total	855	895	916	773

1/ Total stocks of wheat on March 31, 1934 less an estimated domestic utilization of 43,000,000 bushels during the period April 1 - July 31.

Prices

In the United States wheat prices held fairly steady from the middle of February until the middle of April. At Kansas City No. 2 Hard Winter which declined from an average of 86.8 cents for the week ended February 10, to 81.9 cents for the week ended March 3, averaged 81.5 cents for the week ended April 7. Similarly, at Minneapolis No. 1 Dark Northern Spring which averaged 87.0 for the week ended March 3 averaged 87.6 cents for the week of April 7.

In foreign markets there has been some tendency for prices to rise since mid-February. At Winnipeg No. 3 Manitoba Northern reached a low weekly average of 60.0 cents per bushel for the week ended February 24, and then rose somewhat above that level during March and for the week ended April 7 was 62.1 cents per bushel. A similar advance has taken place at Buenos Aires, though the Buenos Aires rise began early in February instead of late in that month. At Liverpool, May futures have risen from their recent low of 64.5 cents per bushel for the week ended February 17 to 66.3 cents per bushel during the first week of April. In the unprotected markets of continental Europe there have also been some material advances since early February. Thus at Berlin domestic wheat which was quoted at 199 cents per bushel early in February rose to 209 cents in mid-March, while at Paris, domestic wheat rose during the same period from 217 cents to 222 cents per bushel. At Milan domestic wheat advanced from 194 cents per bushel early in February to 200 cents a bushel in mid-March.

Perhaps the main uncertainty in the outlook for wheat prices in the United States concerns the prospect for the relation between prices in this country and prices in the world markets. Chicago futures are still about 20 cents per bushel above Liverpool, but whether they will remain well above or decline relative to Liverpool depends both upon the outturn of the crop and upon the governmental policy which may be carried out in handling the 1934 crop. With a winter wheat crop officially forecast at 492,000,000 bushels, it is likely that the United States crop will provide a surplus for export in spite of the prospect for some further acreage reduction. The carry-over into the new crop year seems likely to be in the vicinity of 250,000,000 to 275,000,000 bushels. Although the European crop may be smaller than the exceptionally large harvest of last year, a larger production is to be expected in North America so that the Northern Hemisphere crop may not be greatly different from that of last year. With severe restrictions on importation still in force in the important European markets other than Great Britain, import demand for overseas wheat will continue to be restricted to a low level. Consequently, world wide conditions suggest only a moderate improvement in prices at which wheat can be disposed of by the exporting countries, unless prices are improved as a result of action taken under the London Wheat Agreement.

At the Rome meeting of the Advisory Committee a plan has been drafted which proposes a system of minimum prices. According to this proposal the various countries would undertake to sell wheat at prices not below an agreed scale. These prices would be modified from time to time in order to prevent any type of wheat being shut out of world markets by prices which are too high relative to those of other wheat. It is also proposed that in each country a level of internal prices be maintained which is not below the level of prices at which the wheat is sold at the export market. Internal prices would presumably be maintained at these levels by purchases of wheat stocks whenever necessary. The proposal intends only a slight advance in the "world" wheat price level when the plan is first put into effect.

What the final outcome of the plan will be, of course, remains in doubt. It is reported that the representatives of Argentina have opposed the plan as impractical. Serious objection to the extent of refusal of any country to cooperate in carrying out the minimum price system would presumably prevent the attempt from being made.

Bills to confer powers to the Provincial officials for the control of the marketing of wheat in Canada are now being considered by the Provincial Governments of Alberta, Saskatchewan, and Manitoba. Direct acreage control does not appear to be a feature of the bills under consideration.

Table 5.- Wheat: Price per bushel at specified markets, in terms of United States currency, by weeks, February - April 1934

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/	Paris 6/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Feb. 3:	86.7	92.2	62.1	51.8	65.1	58.8	-	212	194
10:	86.8	91.6	62.1	52.0	63.8	59.1	199	217	197
17:	85.4	90.9	61.2	52.6	62.0	59.8	204	224	204
24:	83.9	88.6	60.0	53.0	62.1	60.2	206	224	201
Mar. 3:	81.9	87.0	60.3	52.9	62.6	60.0	-	225	200
10:	81.7	88.6	62.6	52.8	63.8	60.0	208	228	199
17:	82.6	89.7	62.0	53.3	63.3	60.2	208	228	199
24:	82.3	89.6	61.2	53.6	62.9	60.4	209	229	200
31:	81.2	87.9	61.6	53.6	64.8				
Apr. 7:	81.5	87.6	62.1	54.2	66.3				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday, Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter. 2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern 4/ Near futures.
5/ Home-grown wheat in England and Wales. 6/ Domestic.

Table 6.- Wheat: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	58	93	52	86	56	88	46	70	50	70	40	54
Low 3/	46	84	39	77	42	80	39	65	47	64	35	51
Mar. 17	53	88	46	80	50	84	43	68	48	65	36	53
24	53	88	47	79	51	84	42	68	47	66	35	53
31	54	87	48	79	52	83	42	68	47	67	35	54
Apr. 7	57	87	52	78	56	83	43	67	48	66	35	54

1/ Conversions at noon buying rate of exchange.
2/ Prices are of day previous to other prices.
3/ January 1 to date.

Table 7.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 2/	58	93	54	87	59	92	62	115	60	93	57	78
Low 2/	46	82	42	81	48	84	49	92	48	88	44	74
Mar. 17	55	88	50	83	56	90	57	112	56	89	52	76
24	55	90	49	82	54	90	57	115	55	88	52	75
31	55	89	50	81	55	88	59	108	56	87	53	75
Apr. 7	58	87	54	82	59	88	62	102	60	87	57	

1/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
2/ January 1 to date.

Foreign and Domestic Prices of Bread and Wheat

Recently the Bureau of Agricultural Economics has undertaken a study of the spread between wheat prices and bread prices in several countries. It will take several months to arrive at accurate price comparisons and to make final conclusions concerning the reasons for differences in price spreads. Data on prices of bread and of bread materials and on methods of manufacturing and selling are being gathered in several European countries by Mr. Schollenburger and these figures should throw a good deal of light on the situation.

Certain facts are apparent from a study of the official published quotations. The following is a brief statement of these facts and a short discussion of some factors which need to be considered in studying them.

Table 8 shows the quoted retail prices of wheat bread in three European countries, in which wheat bread is a common article of the diet, and in the United States from 1928 to 1933 and the estimated wholesale cost of the ingredients in a typical pound loaf of American bread. Table 9 compares the retail prices of bread in each of these countries with the wholesale price of wheat. A study of these figures shows:

1. The retail prices of wheat bread in the United States have been consistently higher than in any of these three European countries. Table 8 shows that the average price in the United States from 1928 to 1933 was about double the average price in England, France, and Hungary.

2. The higher prices of bread in the United States are not explained at all fully by differences in bread formulas. It must be recognized that a pound of American bread generally includes more milk, shortening and some other products than a pound of European bread, while the European bread includes more flour. However, Table 8 shows that even if the wholesale cost of all bread ingredients is subtracted from the retail price the resulting margin of the baker and retailer is usually higher than the total retail price in these European countries. In

other words, if the baker were given all the ingredients free of charge, bread would cost more in the United States than in these three countries. The only exception to this is in July 1933 when the margin of the baker and retailer in the United States was temporarily much lower than usual. This was due to the rapid rise in wheat prices in the spring and summer of 1933 which had not yet been reflected fully in retail bread prices. However, the retail price of bread in the United States was already on the up-grade in July 1933 and continued to rise until it reached 8.0 cents a pound in October although the cost of ingredients had reached its high point in July.

3. Wholesale prices of wheat in England and Hungary were about the same as in the United States during these years while prices in France were much higher - particularly from 1930 to 1933 (See Table 9.)

4. In all three of these European countries the wheat farmer can get a great deal more bread in return for a bushel of wheat than he can get in the United States. Table 2 shows that at the most favorable time in this period (July 1929) a bushel of wheat sold in the United States at wholesale would buy 15.3 pounds of bread in the retail store. At that time the English wheat producer could have exchanged a bushel of wheat for 31.3 pounds of bread; the Hungarian producer for 32.2 pounds; and the French producer for 44.9 pounds. At the least favorable time (July 1931) the United States wheat producer could exchange a bushel of wheat for only 7.3 pounds of bread. At the same time the Hungarian producer could exchange a bushel of wheat for 18.0 pounds of bread; the English producer for 23.3 pounds; and the French producer for 42.4 pounds.

These facts indicate that the costs of processing and marketing bread in the United States are much higher than in several European countries. The reasons for this are complex and will require careful study. However, some of the elements appear to be as follows:

Differences in quality of bread. This has been briefly mentioned above and is being carefully studied. It seems apparent, however, that differences in bread formulas will explain only a small part of the price differences.

Differences in packages. In recent years a large proportion of the bread in the United States has been wrapped and much of it has been sliced in the factory. This adds to the cost.

Differences in wage rates and in standards of living. Wage rates in the United States have been higher than in these three European countries. Also in Europe a large proportion of the bread is made in small family bakeries in which all or most of the labor is provided by the family. Since the standards of living in these countries have been generally lower than in the United States, the family operating a bakery can make a satisfactory living from an income which would not be adequate to support the average American family.

Differences in methods of baking, marketing and distribution. Most of the bread in European countries is made in small bakeries and sold directly to the consumer, often without delivery. In the United States most bread is made in large bakeries and distributed through retail stores. This system involves delivery from the bakery to the store and usually also delivery from the store to the home.

The higher wages paid to bakery help in the United States may be offset by the greater labor efficiency of the American factory system but probably the distribution and retail selling of bread in the United States require as much or more labor than in Europe. The greater amount of service in the distribution and retail selling of bread in the United States combined with higher wage rates makes the cost of getting bread from the factory to the consumer higher in the United States than in Europe. Even when the retail store does not deliver bread to the home the costs of retail selling are high in the United States and absorb a considerable part of the bread consumer's dollar. Often the retailer alone receives more for selling a loaf of bread than the farmer gets for producing the wheat from which the bread was made.

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Many studies of farm prices and city retail prices in the United States have shown that the farmer gets only a small part of the consumers' dollar. This has led some economists and marketing experts to question the efficiency of our system of processing, distribution and marketing. One way of judging the efficiency of our system is to compare the spread between farm and city prices at home and abroad and to analyze the reasons for differences in the cost of getting food from the farm to the consumer. A more careful and detailed study of wheat prices and bread prices and of the organization of bakeries and selling agencies is needed before final conclusions are drawn as to the efficiency of our system of processing and marketing bread. The above statement is intended only to show the differences in prices and to state some of the factors which probably account for some of these differences.

Table 8.- Retail prices of one pound of wheat bread in selected European countries and in the United States
(All prices are in United States cents figured at the exchange rates on the dates specified)

Date	England 1/ (average)	France 2/ (Paris)	Hungary 3/ (average)	United States 4/ (average)	U.S. wholesale cost of ingredients 5/	Margin of U.S. baker and retailer 6/
	Cents	Cents	Cents	Cents	Cents	Cents
July 1928	4.7	3.9	4.1	9.2	3.3	5.9
July 1929	4.3	3.8	3.5	9.0	3.4	5.6
July 1930	4.4	3.8	3.4	8.8	2.6	6.2
July 1931	3.5	4.4	3.0	7.5	2.0	5.5
July 1932	2.6	4.0	3.3	6.8	1.9	4.9
July 1933	3.5	4.2	4.0	7.2	3.3	3.9
Latest report	7/ 3.9	8/ ---	9/ 3.4	10/7.9	2.8	5.1

1/ The Ministry of Labour Gazette -- Average price in England quoted on the basis of 4 pounds. 2/ Bulletin de la Statistique generale de la France. Prices quoted in kilograms. 3/Magyar Statisztikai Szemle and supplementary data in the United States Bureau of Agricultural Economics. Prices quoted in kilograms of dark wheat bread. 4/Bureau of Labor Statistics --- Average prices in 51 cities. Quoted on basis of 1 pound loaf of white bread. 5/Wholesale value of 10.06 ounces flour; 0.25 ounce yeast; 0.35 ounce sugar; 0.18 ounce salt; 0.10 ounce malt; 0.30 ounce shortening and 0.50 ounce dried milk. 6/The retail price of bread minus wholesale cost of ingredients. 7/ February 1934.
8/ July 1933 latest available. 9/December 1933.
10/February 27, 1934.

Table 9.- Retail bread prices and wholesale prices of domestic wheat in several countries

Date	Retail bread price per pound				Wholesale price wheat per bushel				Number of pounds of bread bought for 1 bushel of wheat			
	England	France	Hungary	United States	England 1/	France 2/	Hungary 3/	United States 4/	England	France	Hungary	United States
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Pounds	Pounds	Pounds	Pounds
July 1928	4.7	3.9	4.1	9.2	141.2	183.8	140.0	133.6	30.0	47.1	34.2	14.5
July 1929	4.3	3.8	3.5	9.0	134.7	170.6	112.8	137.5	31.3	44.9	32.2	15.3
July 1930	4.4	3.8	3.4	8.8	107.5	168.9	91.7	88.2	24.4	44.4	27.0	10.0
July 1931	3.5	4.4	3.0	7.5	81.5	186.4	53.9	54.6	23.3	42.4	18.0	7.3
July 1932	2.6	4.0	3.3	6.8	61.5	178.4	61.4	52.0	23.6	44.6	18.6	7.6
July 1933	3.5	4.2	4.0	7.2	83.3	175.2	70.2	102.4	23.8	41.7	17.6	14.2
Latest report	5/3.9	6/	7/3.4	8/7.9	59.5		55.1	87.7	15.3		16.2	11.1

Division of Statistical and Historical Research.

1/ Great Britain, domestic. July 1928 - December 1930- Statistical Abstract for the United Kingdom, beginning January 1931 Weekly Reports of the Ministry of Agriculture and Fisheries. Converted at par January 1926 - August 1931 and beginning September 1931 at current exchange.

2/ Paris, domestic. Bulletin de la Statistique generale de la France et du Service d'observation des Prix. Converted at par February 1927 - August 1931 and beginning September 1931 at current exchange.

3/ Budapest, domestic. From Institut International de Statique. Bulletin Mensual. Converted at par through March 1933.

4/ Kansas City, No. 2 Hard Winter and Minneapolis No. 1 Dark Northern Spring average. Kansas City Grain Market Review and Minneapolis Daily Market Record. Average of daily prices weighted by car-lot sales.

5/ February 1934.

6/ July 1933 latest available.

7/ December 1933.

8/ February 27, 1934.

The Continental European Wheat Market Situation During March 1/

Trading in wheat on northern and central European markets during March maintained the February improvement. In several countries reduced offerings of domestic wheat resulted in increased prices. Prices of foreign wheat, however, tended to decline. Substantial increases in domestic wheat prices were observed in Czechoslovakia, Austria, and Poland, as a result of decreased farm offers. In Austria, the gradual exhaustion of domestic supplies was an additional bullish factor. In Germany, the fixed farm prices were maintained, but an upward movement in mill prices resulted from government action intended to control flour mill purchases more closely.

1/ From a report by Donald F. Christy, Assistant Agricultural Attaché, Berlin, Germany, March 29, 1934.

Table 10.- Price per bushel of domestic wheat on the Continent, 1933 and 1934

Year and month	Paris 1/	Milan 2/	Berlin 3/	Berlin 4/	Prague 5/	Vienna 6/
	Cents	Cents	Cents	Cents	Cents	Cents
1933 -						
Jan. 4	114	157	121		126	131
Feb. 1	114	156	120		126	135
Mar. 1	111	152	129		129	137
Apr. 5	99		126		131	137
May 3	127		147		156	141
May 31	122	148	146		162	145
July 5	166	167	167			154
Aug. 2	170	161	153			131
Sept. 6	185		164			
Oct. 4	199	183		183	163-165	160-165
Nov. 1	199			182	163-165	159-164
Dec. 6	206	181	196	188	168-171	171-176
1934 -						
Jan. 3	211	197	199	192	172-175	171-176
Feb. 7	217	197	199	194	176-179	184-187
Mar. 7	228	199	208	204	7/ 164-175	202-206
Mar. 14	228	199	208	204	7/ 164-175	203-207
Mar. 21	229	200	209	204	7/ 164-175	203-207

1/ Home-grown, 59 pounds per Winchester bushel (free market), free station or quay Paris second half of 1933; fixed prices.
2/ Soft home-grown.
3/ Mark Brandenburg wheat, 59 pounds per Winchester bushel (since September 1, 1933; 59/60 kgs.). Free Berlin, free market price. Limited amount sprouted and rust wheat permitted.
4/ Mark Brandenburg wheat, 59/60 kgs. per 100 liters, fixed prices, free Brandenburg station: limited amount sprouted and rust wheat permitted.
5/ Bohemian wheat 61-62 kgs. (Since October 4, 1933; 60-61 kgs.) per 100 kgs. liters, transit Prague.
6/ Vienna and Marchfield wheat.
7/ For qualities from 58-65 kgs. hectoliter weight. Quotations for usual quality of 60-61 kgs. not available.

Takings of foreign wheat by northern and central European countries during March must be considered satisfactory, if compared with the greatly restricted volume so far this season. Holland and Belgium were mainly interested in North American and Argentine wheat, though some purchases of Hungarian and Bulgarian wheat were also reported. Germany, as usual, confined herself to the best grade Manitobas. Czechoslovakia was not in the market, but Austria purchased rather significant quantities of Hungarian wheat.

Stocks of wheat in the principal European ports, at the middle of March, were well below those of the previous month, but were higher than stocks at the same time a year ago. The stock situation on the Continent, in so far as it can be determined, continues unfavorable.

Table 11. - Continental European stocks of wheat, February and March, 1933 and 1934

Position	1933 Feb.	1933 Mar.	1934 Feb.	1934 Mar.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Antwerp	1/ 2,039	1/ 1,549	1/ 1,756	1/ 2,507
Rotterdam	1/ 1,396	1/ 1,066	1/ 2,756	1/ 2,039
Wheat stocks 12 principal continental ports (includes above two ports)	1/ 5,985	1/ 4,915	1/ 6,675	1/ 6,100
Berlin (wheat and flour)	2/ 1,693	2/ 2,030	2/ 2,217	2/ 3,151
Hamburg (rough estimate)	1/ 478	1/ 331	1/ 404	1/ 337
Bremen & Brake	1/ 17	1/ 26	1/ 158	1/ 67
German Farm Stocks	2/78,410	2/59,047	2/78,521	2/ 63,162
German "second-hand" stocks (wheat and flour) 3/	2/32,143	2/31,478	2/53,991	2/4/55,262
Swedish mill stocks of wheat	2/ 2,295	2/ 2,497	2/ 3,177	

1/ Middle of month. 2/ First of month.
3/ In warehouses and flour mills. These totals are estimated to include 95 percent of all the stocks in warehouses and flour mills, and therefore must contain most of the Berlin, Hamburg, and Bremen-Brake data.
4/ Preliminary.

Germany

The German wheat market during March was strongly influenced by various new government measures, aimed at organizing the grain market and the milling industry. Business during the first half of March was quiet, but activity increased later, as a result of an ordinance issued around the middle of the month prescribing fixed purchase prices for wheat and rye bought by flour mills. These purchase prices, which are effective April 1, 1934, are higher than the prices prevailing during the past several weeks. Their influence was confined to mill prices, as farm prices are not affected by the new decrees.

Pressure on the wheat market is expected to be partially relieved by the new measures mentioned above, but the statistical position shows no significant change, and it is apparent that the present wheat surplus cannot be disposed of without difficulty. Exports of wheat during the remainder of the season will, in all probability, be very limited, and the government may yet be forced to provide for the cheapening of a certain amount of wheat for feeding purposes.

Imports of foreign wheat continue rather steady and consist almost entirely of the best grade Manitobas. Exports of German wheat, which were temporarily stopped, have been resumed on a small scale, as a result of the re-introduction of export certificates effective March 8, 1934. These certificates will differ from the former ones in that they permit only the importation of feed barley and corn rather than wheat.

Table 12.- Imports and exports, wheat and wheat flour, grain equivalent, 1931-32 to 1933-34

Month	Imports			Exports			Net imports (+) or exports (-)		
	1931-32	1932-33	1933-34	1931-32	1932-33	1933-34	1931-32	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Aug.	1,900	3,631	3,276	57	1,482	1,981	+1,743	+2,149	+ 295
Sept.	2,516	2,727	2,198	3,077	5,120	3,987	- 561	-2,393	-1,789
Oct.	2,433	3,024	2,724	2,810	4,631	3,963	- 377	-1,607	-1,239
Nov.	2,453	2,513	2,671	2,680	3,247	4,838	- 187	- 734	-2,167
Dec.	2,932	2,753	2,373	1,930	1,982	4,476	+1,062	+ 771	-2,103
Jan.	[illegible]	1,294	1,804	1,074	3,413	2,634	+1,612	-1,419	- 830
Feb.	3,382	1,731	2,388	866	2,228	1,911	+2,416	- 497	+ 477
Total	17,602	18,373	18,434	11,394	22,103	23,790	+5,708	-3,730	-7,356

According to latest available statistics, stocks of all grain as well as wheat declined more slowly in February than in January. Rye stocks, however, showed a more satisfactory development, and disappearance in February was slightly greater than in the same month in 1933.

In addition to the re-introduction of export certificates for wheat, the government has provided for stricter compliance with the storage obligations of the flour mills, and at the beginning of March announced the final operating contingents for the flour mills. Each flour mill will receive a so-called "basic contingent" based on the total quantity of wheat and rye milled from 1927 to 1932 inclusive. The decree providing the first so-called "processing contingent", which was issued at the beginning of March for the year ending August 31, 1934, also takes into account the "basic contingent". For the month of March, the "processing contingent" was equal to the February contingent without the 10 percent reduction applied to the latter month. An exchange of wheat and rye, even within the contingent quantities, is prohibited, and custom milling is included in the contingent.

The third measure of importance was announced on March 13, 1934, and provides that flour mills may purchase wheat and rye direct from the producer only when the mill has a daily capacity of less than 10 metric tons (367 bushels). Mills with a capacity of from 367 to 735 bushels may make direct purchases of grain upon special consent of the state peasant leader (Landesbauernführer). Flour mills of a capacity of more than 20 metric tons (735 bushels) per day require the consent of both the state peasant leader and the Minister of Agriculture in order to make direct purchases, and only then if they can prove that such a practice has been customary in the past. For all purchases of wheat and rye not made directly from farmers, flour mills must pay the fixed farm price plus a so-called equalization-fee, which has been fixed at RM. 6.00 per metric ton. (6.5 cents per bushel for wheat and 6.1 cents for rye converted at exchange on April 7.) RM.2.00 (wheat, 2.2 cents per bushel) (rye, 2.0 cents per bushel) of this are paid to the Reich Grain Office, the other RM.4.00 (wheat, 4.3 cents per bushel) (rye, 4.1 cents per bushel) accrue to the middleman. Certain additions to the purchase price are permitted, but reductions are prohibited except where grain is of inferior quality. Where the flour mill has permission to purchase directly from the producer, the fixed price plus RM.2.00 (2.2 cents for wheat, or 2.0 cents for rye per bushel) per metric ton must be paid, the latter amount going directly to the Reich Grain Office. Should the grain be exported, the RM.2.00 will be refunded.

The above mentioned action was taken in order to prevent the practical extinction of a considerable part of the grain trade. Under the original fixed-price regulations, mills were permitted to buy either direct from farmers or from traders. Since direct purchases were, in most cases, more favorable for the mills, this practice became widespread, and grain traders in many cases were forced to dispose of their accumulated stocks at even less than they had paid for them, since there was nothing to prohibit them from selling their grain at less than the fixed farm prices. These latest regulations indicate a modification in the government's attitude toward the middleman.

Holland and Belgium

Trading on the Dutch and Belgian wheat markets during March was again of considerable volume. In Belgium, the interest centered largely on Manitoba and Bulgarian wheat, whereas in Holland there was a good demand for Plates and Hungarian descriptions. The Dutch Government also recently purchased about 37,000 bushels of German soft wheat (60.6 to 61.4 pounds per Winchester bushel), at a reported price of Hfl. 2.80 (52 cents per bushel converted at current exchange on April 7) C.I.F. Dutch inland point, for prompt shipment. This wheat is to be used for feeding purposes and is being disposed of through government channels. Other than this one sale, German export wheat is considered too high in price.

A recent report from Belgium indicates that agricultural interests are pressing for the introduction of a milling quota.

Table 13.- Wheat, including flour: Shipments from principal exporting regions, specified dates, 1932-33 and 1933-34

Date	Argentina		Australia		Danube		North America	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 2 - July 29:	3,264	14,140	7,672	8,728	208	0	22,896	14,296
July 30 - Sept. 2:	3,712	16,464	5,816	8,904	0	0	26,344	20,568
Sept. 3 - Sept.30:	3,368	7,896	6,228	7,548	16	1,008	26,200	17,328
Oct. 1 - Oct. 28:	2,876	4,772	6,912	4,012	360	2,832	33,864	21,136
Oct. 29 - Dec. 2:	4,220	4,884	9,668	6,488	904	3,424	46,440	26,936
Dec. 3 - Dec. 30:	5,852	5,016	8,916	8,064	128	1,848	23,896	14,664
Dec. 31 - Jan. 27:	12,228	10,672	22,308	9,288	0	960	20,200	17,240
Jan. 28 - Feb. 24:	17,392	15,872	26,832	9,392	0	616	16,768	16,872
Week ended								
Mar. 3	3,360	2,636	6,624	1,360	0	24	5,168	4,008
10	4,552	4,944	7,568	2,028	0	24	5,856	3,904
17	4,276	4,740	4,528	1,920	0	160	3,416	4,008
24	4,176	3,963	5,648	1,823	32	0	2,984	3,360
31	2,668	3,991	3,884	1,099	0	64	4,792	3,542
Apr. 7	4,676	2,412	2,428	1,323	0	536	2,608	3,328
Total, July 2 - Apr. 7	76,620	102,402	123,032	71,977	1,648	11,496	240,432	171,190

Compiled from Broomhall's Corn Trade News.

Table 14.- United States: Exports of wheat and wheat including flour, by weeks, 1932-33 and 1933-34

Date	Wheat		Wheat flour		Wheat including flour	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 2 - July 29:	1,962	21	206	169	2,931	815
July 30 - Sept. 2:	3,841	19	306	249	5,279	1,189
Sept. 3 - Sept.30:	1,692	133	202	156	2,642	865
Oct. 1 - Oct. 28:	2,030	13	209	121	3,013	581
Oct. 29 - Dec. 2:	2,932	932	312	165	4,399	1,707
Dec. 3 - Dec. 30:	810	3,393	241	199	1,942	4,328
Dec. 31 - Jan. 27:	1,100	2,868	209	210	2,082	3,854
Jan. 28 - Feb. 24:	549	2,379	205	189	1,513	3,267
Week ended						
Mar. 3	218	963	67	70	533	1,292
10	51	150	26	43	173	352
17	1	970	73	55	344	1,228
24	3	617	47	31	224	763
31	2	520	42	35	199	684
Apr. 7	- - -	1,245	31	48	146	1,471

Division of Statistical and Historical Research. Compiled from a weekly report of the Bureau of Foreign and Domestic Commerce.

Table 15.- Wheat, including flour: Net imports into European countries, 1931-32 to 1933-34

Country	1931-32	1932-33	Net imports reported July 1, to	1932-33	1933-34
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	245	217	Jan. 31	121	126
Italy	33	13	Dec. 31	5	2
Belgium	48	41	Jan. 31	24	23
France	81	38	Dec. 31	30	11
Netherlands	31	28	Jan. 31	17	17
Germany	22	9	Jan. 31	2	1/ 6
Greece	24	20	Nov. 30	8	6
Irish Free State	20	18	Jan. 31	10	11
Switzerland	21	19	Feb. 28	13	12
Austria	14	13	Jan. 31	7	5
Czechoslovakia	20	7	Jan. 31	1	1
Denmark	17	12	Feb. 28	9	9
Norway	9	8	Feb. 28	5	5
Finland	4	4	Jan. 31	3	2
Sweden	7	4	Feb. 28	3	1
Poland	1/-3	1/-1	Jan. 31	2/	3/
Portugal	2	3	Nov. 30	2	3/
Latvia	1	3/	Dec. 31	3/	0
Estonia	1	3/	Jan. 31	3/	3/
Spain	2	8	Jan. 31	8	2/
Total	599	459		268	225

Division of Statistical and Historical Research. Compiled from official sources.

1/ Net exports.
2/ Net exports of less than 500,000 bushels.
3/ Less than 500,000 bushels.

Table 16.- Wheat, including flour: Movement from principal exporting countries, 1930-31 to 1933-34

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1930-31	1931-32	1932-33	1931-32	1932-33	1933-34	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	131,475	135,797	41,211	98,444	34,124	22,647	Feb. 28
Canada	267,365	199,563	267,342	143,065	201,349	139,223	Feb. 28
Argentina	120,638	144,920	120,272	101,697	76,354	104,063	Mar. 31
Australia	143,296	155,451	148,060	50,761	47,096	42,175	Dec. 31
Russia	111,780	71,829	19,183	63,076	14,355	20,262	Nov. 30
Hungary	13,425	18,064	7,010	13,711	3,947	15,969	Dec. 31
Yugoslavia	5,337	15,365	1,169	11,275	1,002	408	Dec. 31
Rumania	16,072	37,481	186	33,570	174	238	Dec. 31
Bulgaria	5,041	11,795	3,144	6,521	2,181	2,879	Dec. 31
British India (L & S)	10,197	1/ 2,913	1/ 871	2,095	635	439	Jan. 31
Total	829,626	793,178	608,448	524,215	381,217	348,303	

	Shipments as given by trade sources						
	Total		Week ended			July 1 - Apr. 7	
	1931-32	1932-33	Mar. 24	Mar. 31	Apr. 7	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	333,638	298,504	3,360	3,542	3,328	240,432	171,190
Canada, 4 markets 3/	206,258	289,257	735	565	573	213,402	135,907
United States	135,797	41,211	763	684	1,471	36,379	28,438
Argentina	144,576	115,412	3,963	3,991	2,412	76,620	102,402
Australia	161,288	153,400	1,823	1,099	1,323	125,032	71,977
Russia 4/	71,664	17,408	0	136	120	17,312	26,272
Danube and Bulgaria 4/	39,280	1,704	0	64	536	1,648	11,496
British India	5/ 2,913	5/ 871	0	0	0	0	0
Total 6/	753,359	587,299	9,146	8,832	7,719	461,044	383,337
Total European shipments 2/	597,976	448,672	6,208		7/	339,320	7/ 299,032
Total ex-European shipments 2/	194,464	164,256	3,496		7/	123,656	7/ 91,760

1/ Sea trade only.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To March 24.

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WORLD WHEAT PROSPECTS

Summary

Indications are that there will be another short crop of spring wheat in the United States with the result that total wheat production this year may be less than domestic consumption for the 1934-35 season, according to the Bureau of Agricultural Economics. The continuation of the drought in the spring wheat region of the United States and the deficiency of spring rainfall in Canada resulted in an about face of wheat prices in the United States during the latter part of April. In mid-April prospects still indicated that the new crop outturn in the United States would be sufficiently large to result in prices declining to an export basis unless government intervention should prevent. At the present time it seems quite certain that wheat prices east of the Rockies, at least, will continue well above an export basis throughout most of the 1934-35 season.

Present prospects suggest that supplies available for export will be smaller in 1934-35 than in 1933-34 in the Northern Hemisphere and that import requirements will be larger. The reduction in the supplies available for export is due, on the one hand, to a much smaller carry-over in North America, and, on the other hand, to smaller crops in the Danube Basin of Europe. The smaller carry-over of North America is expected to more than offset any increase which may occur in the total crops of the United States and Canada. In the northern and western countries of Europe increased import requirements are expected as a result of smaller crops. Remaining supplies in the Southern Hemisphere, however, are about 50,000,000 bushels larger than a year ago.

Nevertheless, if present prospects as to Northern Hemisphere yields should be borne out, there seems likely to be some strengthening of world market prices, and such increases may be maintained through the coming season, unless it should later develop that Southern Hemisphere crops are likely to be above average.

Crop Prospects

Crop conditions during the latter part of May suggest that the Northern Hemisphere wheat crop of 1934 will be considerably smaller than that of last year. Although the outturn of the spring wheat crops of the United States and Canada is still extremely uncertain, as it will be largely influenced by weather conditions during June and July, it now seems doubtful if the combined spring wheat crops of the United States and Canada will greatly exceed the short crop harvested last year. A continuation of hot weather and sub-normal precipitation in the spring wheat regions into June might even result in offsetting the increase of the United States winter wheat crop so that the total crop for the Northern Hemisphere would be no larger than the small one harvested last year. In Europe prospects are for a rather short crop in the exporting countries of the Danube Basin, estimates of the Belgrade Office of the Bureau of Agricultural Economics indicating that wheat production of these four Danubian countries may be about 100,000,000 bushels less than last year. Meanwhile in northern and western Europe conditions have been rather unfavorable, and a smaller crop than the unusually large one harvested last year seems assured.

Of the eleven countries for which estimates of production are now available, four show increases and seven decreases from last year. The largest increase is for the United States where the 1934 winter wheat crop was officially estimated on the basis of May 1 conditions to be 110,000,000 bushels larger than that of last year, but the crop appears to have deteriorated somewhat since May 1. The next largest increase is in that of Spain which the Paris Office of the Bureau of Agricultural Economics places at 35,000,000 bushels above the 1933 crop, while India and Tunis are indicated to be above last year by 17,000,000 and 5,000,000 respectively. Despite these increases, total production for the eleven countries for which estimates are available is indicated to be nearly 50,000,000 bushels below the production of the same countries for 1933.

It is especially significant that out of the four countries for which there have been crop increases, only the increased production of Tunis is likely to result in any material increase in export surpluses over those of 1933-34, or any material decrease in imports. The United States seems likely to have a total crop only about equal to domestic utilization for the ensuing year. Because of this and the decrease which has taken place in the carry-over, the increase in the winter wheat crop is not expected to result in any marked increase of exports over 1933-34. Spain has not been important as either an importing or an exporting country in recent years in spite of rather wide variations in yields. Thus, in 1932-33 from a crop of

184,000,000 bushels she had net imports of approximately 8,000,000 bushels, while in 1931-32 with a crop of only 134,000,000 bushels her net imports amounted to 2,000,000 bushels, and during 1933-34 prospects are that she will have net exports of less than 1,000,000 bushels from a crop of 138,000,000. India has shown a tendency for exports to be affected by prices more than by the size of the crop. Hence, as long as prices remain low, wheat exports are not likely to be large, in spite of a large harvest.

Table 1.- Wheat: Production in specified countries, 1931-1934

Country	1931	1932	1933	1934
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States, winter only	817,962	475,709	351,030	461,471
Italy	244,415	276,922	297,633	1/ 263,000
France	264,117	333,524	362,330	1/ 294,000
Spain	134,427	184,207	138,235	1/ 173,000
Bulgaria	63,831	50,553	58,858	2/ 44,000
Hungary	72,550	64,463	96,356	2/ 68,000
Rumania	135,300	55,537	119,070	2/ 77,000
Yugoslavia	98,789	53,444	96,584	2/ 73,000
Morocco	29,783	27,970	28,902	1/ 26,800
Tunis	13,963	17,453	9,186	13,962
India	347,424	336,896	352,875	369,563
Total 11 countries	2,222,561	1,876,678	1,911,059	1,863,796

Compiled from official sources except as otherwise noted.
1/ Estimated in the Paris office of the Bureau of Agricultural Economics.
2/ Estimated in the Belgrade office of the Bureau of Agricultural Economics.

The countries for which production is estimated to be lower than in 1933, on the other hand, are for the most part countries the size of whose crops are important in affecting the volume of international trade. In France and Italy smaller crops are likely to result in larger imports, while in the four exporting countries of the Danube Basin smaller crops have a distinct tendency to reduce exports and for these four countries production is estimated by the Belgrade Office of the Bureau of Agricultural Economics to be 100,000,000 bushels smaller than in 1933.

The acreage sown to wheat for the 1934 harvest in the 27 countries (excluding Russia) of the Northern Hemisphere for which estimates are available is 176,975,000 acres compared with 172,147,000 acres for the 1933 harvest. The winter wheat area in Russia is estimated at 29,785,000 acres compared with 26,703,000 acres last year.

Table 2. - Wheat: Area in specified countries, 1931 - 1934

Country	Year of harvest			
	1931	1932	1933	1934
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
United States 1/	43,080	35,276	28,420	34,725
Canada 2/	26,201	27,182	25,991	3/23,704
Total (2)	69,281	62,458	54,411	58,429
Europe				
Belgium 4/	375	383	366	378
Czechoslovakia 2/	2,059	2,092	2,273	2,276
England and Wales 2/	1,197	1,288	1,660	1,760
France 2/	12,840	13,428	13,503	13,202
Germany 4/	4,653	4,882	5,051	4,927
Greece 2/	1,496	1,498	1,784	1,873
Italy 2/	11,883	12,185	12,567	11,978
Latvia 4/	149	173	183	190
Lithuania 4/	379	409	393	403
Luxemburg 2/	23	31	33	33
Poland 4/	4,137	3,885	3,741	3,711
Portugal 2/	1,271	1,463	1,423	5/ 1,458
Spain 2/	11,245	11,248	11,168	5/11,490
Sweden 4/	532	577	592	603
Total (14)	52,239	53,542	54,737	54,282
Bulgaria 4/	3,028	3,102	2,882	2,985
Hungary 4/	4,058	3,878	3,950	6/ 3,706
Rumania 4/	7,863	6,517	7,110	6/ 6,215
Yugoslavia 4/	5,275	5,142	5,157	5,208
Total (4)	20,224	18,639	19,099	18,114
Total Europe(18)	72,463	72,181	73,836	72,396
Africa				
Algeria 2/	3,640	3,736	3,993	3,855
Morocco 2/	2,537	2,713	3,210	2,656
Tunis 2/	1,977	2,392	1,754	5/ 2,150
Egypt 2/	1,649	1,762	1,426	1,435
Cyrenaica 2/	18	6	13	20
Total (5)	9,821	10,609	10,396	10,116
Asia				
India 7/	31,582	33,669	32,323	34,925
Syria and Lebanon 2/	1,272	1,118	1,181	1,109
Total (2)	32,854	34,787	33,504	36,034
Total 27 count...	184,419	180,035	172,147	176,975
Russia 4/	29,172	32,336	26,703	29,785
Estimated Northern Hemisphere, winter and spring total, excluding Russia and China	215,900	218,000	206,600	

1/ Winter area remaining for harvest. 2/ Total wheat area.
3/ Winter area plus "intentions-to-plant" spring wheat.
4/ Winter area.
5/ Estimated in the Paris office of the Bureau of Agricultural Economics.
6/ Estimated in the Belgrade office of the Bureau of Agricultural Economics.
7/ April estimate.

United States

In the United States the 1934 winter wheat crop is forecast at 461,471,000 bushels, as compared with the 1933 crop of 351,030,000 bushels and the 5-year average (1927-1931) production of 632,061,000 bushels. The present forecast shows a sharp decline from last month's report, due principally to continued drought conditions in the Great Plains region.

The acreage of winter wheat remaining for harvest is estimated to be 34,725,000 acres, as compared with 28,420,000 acres harvested in 1933 and the 5-year average (1927-1931) harvested acreage of 40,050,000 acres. The present estimate of acreage sown last fall is 41,007,000 acres, or practically the same as that shown by the Board's December 1933 report. It is estimated that 15.3 percent of the acreage seeded last fall has been or will be abandoned. The average abandonment in the 10 years 1922-1931 was 12.2 percent.

The condition of winter wheat on May 1 was reported at 70.9 percent of normal, as compared with 66.7 percent in 1933 and the 10-year average(1922-1931) of 82.0 percent. With the exception of last year, the present condition is the lowest May 1 condition reported since 1885. Ordinarily, the reported May 1 condition is higher than the reported April 1 condition. This year, however, condition declined from 74.3 on April 1 to 70.9 on May 1. Winter wheat condition is below average in all parts of the country with the exception of an area extending from Missouri to Ohio, and parts of the Pacific Northwest. Prospects are far below average in practically all of the Great Plains area. In this area precipitation during recent months was greatly deficient and the moisture situation is still decidedly unfavorable.

Production of hard red winter wheat is forecast at 252,636,000 bushels as compared with 169,720,000 bushels in 1933 and 277,450,000 bushels in 1932. Production of soft red winter wheat is forecast at 163,876,000 bushels as compared with 146,879,000 bushels in 1933 and 149,425,000 bushels in 1932. Production of fall sown white wheat is forecast at 44,959,000 bushels, as compared with 34,431,000 bushels in 1933 and 48,834,000 bushels in 1932.

The season so far has been very unfavorable for spring wheat in the Dakotas, eastern Montana and western Minnesota, where an accumulated deficiency of moisture is still unrelieved. Seeding has been delayed considerably in these States and is especially late in South Dakota.

Canada

A reduction of about 9 percent is indicated in the 1934 wheat area in Canada. The spring wheat acreage, as indicated by reports of farmers' intentions-to-plant as of May 1, will be 23,319,000 acres. Thirty-nine percent of the fall sown area has been abandoned leaving 385,000 acres for harvest. If farmers carry out their intentions to plant spring wheat, the total 1934 wheat area will be 23,704,000 acres compared with 25,991,000 acres in 1933 and 27,182,000 acres in 1932. The Dominion Bureau reported that the 1934 "Intentions" for the spring wheat area in the Prairie Provinces had been corrected for bias and they do not expect that the June survey acreage will be any higher. The seeding of spring wheat in the Prairie Provinces at the end of April was further advanced than in either 1932 or 1933. Crop prospects in Alberta at the end of April appeared to be much better than in Saskatchewan or Manitoba. In the latter province prospects were reported as poor.

Europe

In Europe the winter wheat area in 18 countries (excluding Russia) is reported at 72,396,000 acres compared with 73,836,000 acres last year. Some

increase in spring sowings is expected but the International Institute of Agriculture estimated that the total 1934 harvest area will be about 3,000,000 acres smaller than that of last year due to the larger abandonment of winter area as well as to the smaller area sown last fall. Crop conditions in Europe are on the whole less promising than at the same time last year. Smaller crops are expected in Italy, France, Czechoslovakia, and the Danube Basin. The Belgrade office of the Bureau of Agricultural Economics reported May 21 that the outlook in the four Danubian countries was for a total production about 100,000,000 less than in 1933. High temperatures have prevailed since the middle of March except in Bulgaria. Rainfall during this period has been insufficient for the crops. Abundant rains about the middle of May checked the worst effects of the drought in Hungary but present conditions indicate less than average yields and a larger than normal abandonment is expected. Conditions in Rumania and Yugoslavia are less favorable than in Hungary but in Bulgaria conditions are better. Agricultural Commissioner Christy reported that the crops in Netherlands and Belgium are generally good but the winter cereals in western Germany are suffering from drought and immediate rains are needed to prevent serious burning which is already apparent. Official reports from Sweden and the Baltic countries showed above average conditions on May 1. Rainfall has been insufficient in the important wheat regions of southern and southeastern Russia.

The wheat acreage in North Africa has been reduced as compared with last year and conditions toward the end of April indicated smaller harvest, except in Tunis where the crop has been officially forecast at 13,962,000 bushels compared with 9,186,000 bushels harvested in 1932.

India

The second largest wheat area on record was sown in India and the production has been officially forecast at 369,563,000 bushels compared with 352,875,000 bushels last year. Since this forecast was made, the estimate of the production in the Punjab has been reduced more than 6,000,000 bushels. Three official estimates of the Indian wheat crop are issued each year in April, May and August.

Exports of wheat and flour from India have declined in recent years and in 5 out of the past 6 seasons, India has been on a net import basis. Only 589,000 bushels were exported from April 1, 1933 to January 31, 1934 (the latest date for which official data are available) and during the same period 684,000 bushels were imported.

Table 3.-Wheat: Area, production and trade of India, 1924-1934

Harvest year	Acreage: Apr. estimate	Acreage: Final estimate	Production: Apr. estimate	Production: Final estimate	Net trade, wheat and flour, year beginning Apr. 1 1/
	1,000 acres	1,000 acres	1,000 bush.	1,000 bush.	1,000 bush.
1924	30,731	31,181	375,237	360,640	+ 45,306
1925	31,794	31,779	321,963	331,035	+ 10,876
1926	29,913	30,471	320,395	324,651	+ 9,251
1927	30,952	31,303	324,875	334,992	+ 12,429
1928	31,691	32,193	331,147	290,864	- 12,768
1929	31,716	31,973	307,365	320,768	- 8,507
1930	30,468	31,654	368,293	390,843	+ 2,804
1931	31,582	32,189	346,789	347,424	- 393
1932	33,669	33,803	347,461	336,896	- 102
1933	32,323	32,992	340,667	352,875	2/ - 95
1934	34,925		369,563		

1/ A plus sign indicates net exports and a minus sign indicates net imports.
2/ April 1, 1933-January 31, 1934.

Other countries

The Shanghai office of the Bureau of Agricultural Economics reported that the winter wheat crop is making favorable progress in the important wheat provinces of China and the outlook on May 1 was for a harvest equal to or larger than last year. Conditions are also favorable in Japan.

Preparation of the land and seeding is now going forward in the Southern Hemisphere. Weather and soil conditions have been favorable in Argentina and a Buenos Aires trade paper had predicted an increase in area, but more recent reports do not indicate any increase. An official report from the Union of South Africa stated that a record acreage is expected there. Conditions in Australia have not been favorable for seeding and a considerable decrease in acreage is forecast.

The Effect of Weather Conditions in the Spring Wheat Area

Throughout a large part of the spring wheat area in the United States weather conditions through the first 3 weeks of May were very unfavorable to the crop. In North Dakota the weather up to late May was the most unfavorable for any season since 1899-1900. The spring wheat area of the Northern Great Plains is one of small rainfall and deficiency of rainfall is often a limiting factor in the wheat yields obtained. In both North Dakota and South Dakota precipitation last fall was far below normal, and the deficiency has not been made up since that time. Except for a very slight excess of precipitation over normal in North Dakota for November and December, when even the normal precipitation is extremely low, every month has shown a deficiency as compared with normal. In Minnesota the situation has been quite similar to that of North Dakota and South Dakota, except that Minnesota as a whole has a relatively higher rainfall than the Dakotas, and a deficiency is consequently less serious. Also, the extent of the deficiency of rainfall in Minnesota has been less than in the Dakotas. The State of Montana as a whole has been somewhat better off than the Dakotas. For September and October together the precipitation was about equal to normal with the result that the sub-soil moisture situation was more favorable than in the Dakotas. During April, however, the precipitation amounted to a little less than half of normal, and for the first 15 days of May a similar situation prevailed, precipitation during the latter period amounting to 46 percent of normal according to preliminary data.

The significance of the sub-normal moisture in the spring wheat area is shown by the results of a study of the relation between weather conditions and wheat yields in North Dakota. 1/ In that State it is more convenient to study the relationship between weather conditions and wheat yields than in the other spring wheat states because of the relative homogeneity of weather conditions, and because of the fact that wheat is an important crop throughout practically the entire State. State average figures for temperature and precipitation may consequently be used satisfactorily for North Dakota, whereas in the case of the other states it is necessary to make up special averages of weather conditions for those stations which are in important wheat growing areas and compare the weather conditions at these stations with wheat yields.

The detailed study of North Dakota yields was made during the winter of 1929-30 and included the years 1900 to 1929. Most reliable results appeared to be obtained when the year 1916 was omitted from the correlation.

1/ This study was made by E. J. Working with the assistance of Miss Margaret Matheson.

That was a year of very low wheat yields due to exceptionally bad rust, and although there is some relationship between the amount of rust damage to wheat and weather conditions, it did not seem possible to explain satisfactorily the yields of 1916 on the basis of weather without unduly complicating the study.

The correlation analysis which was deemed to be the most reliable resulted in a linear correlation coefficient of .9253, and a curvilinear coefficient of .956 by using five factors: September-October precipitation, April-May precipitation, June temperature, July precipitation, and July temperature. It appeared that precipitation during the months November to March was of little significance in affecting the North Dakota wheat yields. This was probably due largely to the fact that the ground is frozen during most of this period and the very small amount of precipitation which ordinarily occurs is not of significance in contributing to the sub-soil moisture. It will be noted that June precipitation is also omitted. Apparently, rainfall during the month of June is almost always sufficient for the needs of the crop at that time. June is normally the month of highest rainfall, normal precipitation for that month amounting to 3-1/2 inches, and the lowest for any year of the study was 1.44 inches in the Junes of 1929 and 1903.

On the basis of the relationships indicated by this correlation wheat yields have been calculated from weather conditions for the years 1930 to 1933 also, and a comparison of the calculated and actual yields for these later years shows that the regressions are about as satisfactory for them as for the period 1900-1915 and 1917-1929 upon which the study was based.

The following summary of the relationship between the independent variables and wheat yields will be of help in giving a picture of the effect which the sub-normal rainfall experienced to date in the spring wheat area may have upon wheat yields for the coming year.

September-October Precipitation (Beta = .200)

Optimum: Within range of experience, the more the better
Lowest: 0.93 inches for 1919
Highest: 6.49 inches for 1901
Average: 2.81 inches
1934 crop: 1.32 inches

April-May Precipitation (Beta = .377)

Optimum: About 6 inches
Lowest: 1.29 inches for 1901
Highest: 7.32 inches for 1927
Average: 3.68 inches
1934 crop (1.55 inches if precipitation from May 22 to May 31 should equal normal of .72 inches)

June Temperature (Beta = -.485)

Optimum: Within experience, the lower the better
Lowest: 56.7 degrees for 1915
Highest: 68.2 degrees for 1921
Average 62.4 degrees

July Precipitation (Beta = .246)

Optimum: Within experience, the more the better
Lowest: 1.27 inches for 1929
Highest: 5.05 inches for 1928
Average: 2.53 inches

July Temperature (Beta = -.289)

Optimum: Within experience, the lower the better
Lowest: 62.3 degrees for 1915
Highest: 72.1 degrees for 1914
Average: 67.7 degrees

The betas are, of course, those resulting from the linear correlation rather than from the curvilinear correlation. It may be noted, however, that in the curvilinear analysis, there was relatively little deviation from the straight line in the regressions used except in the case of April-May precipitation.

During September and October of last fall precipitation was only 1.32 inches compared with the average for the years of the correlation study of 2.81 inches. The deficiency compared with the average tends to result in reducing the yield by nearly 1 bushel per acre. Preliminary April data for North Dakota indicate a precipitation of 0.9 of an inch less than normal, and for the first 21 days of May 1.3 inches less than normal. Total precipitation from April 1 to May 21 has amounted to only .83 of an inch as compared with average precipitation during the period of the study of 3.68 inches for the entire 2 months April and May. Normal precipitation for the State as calculated in 1933 was 1.39 inches for April and 2.40 inches for May. In case precipitation during the remainder of May should be about normal (.72 inches) and hence total precipitation for the 2 months April and May should amount to about 1.55 inches, the deficiency of 2.13 inches as compared with the average during the period of the study would tend to reduce wheat yields by 3 bushels per acre. If weather should be normal during June and

July the study indicates that North Dakota wheat yields are likely to average only about 8 bushels per acre.

Weather conditions during the remainder of May and through July will, of course, be of very great importance in determining the final outcome. It will be noted from a comparison of the betas, that of the five factors included in the study, variations in June temperature were of greatest importance in affecting yields. April-May precipitation was next in importance, followed by July temperature, July precipitation, and September-October precipitation. Weather affecting the 1934 crop to date has been worse than for the corresponding period of any year covered by the study save 1900. In that year both the September-October and the April-May precipitation were about the same as for this years crop, and while July temperature and rainfall were about normal, June was unusually hot, and the wheat yield was only 4.9 bushels per acre. The yield for 1900 as calculated from the linear regression of the correlation was 6.0 bushels per acre and from the curvilinear regression 4.7 bushels.

In order to provide a comparison of precipitation thus far during the months September 1933 to date in the spring wheat area, Table 4, page 11 , shows for each of the four States, North Dakota, South Dakota, Minnesota and Montana, precipitation for the months September to April, together with normal precipitation for each month of the year as given in the 1933 weather reports. It is to be borne in mind, of course, that the figures of State average precipitation for Montana, Minnesota and South Dakota is not as typical for the wheat areas of those States as is the case with North Dakota. Nevertheless, the figures are of significance in indicating the extent of the drought which is affecting those States as well as North Dakota.

It is also to be borne in mind that in different regions a given amount of rainfall in a given month may not have the same effect as in North Dakota due to differences in soil conditions and differences in average precipitation and temperatures. Thus in Saskatchewan correlation studies indicate that April precipitation is of relatively little importance, whereas June precipitation is of great importance in affecting wheat yields. Presumably this is largely due to the fact that the season is later than in regions farther to the south and precipitation during April may hinder planting of the crop rather than help the newly planted wheat to get a good start. Apparently, for Saskatchewan as a whole, the May-June precipitation is of about the same importance as the April-May precipitation in North Dakota.

Table 4.-Precipitation in four states, compared with normal, 1933-34

State, year and item	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches
North Dakota												
Normal ...	1.65	1.04	0.61	0.52	0.47	0.49	0.70	1.39	2.40	3.45	2.42	2.04
1933-34								1/				
Total ..	0.79	0.53	0.65	0.88	0.20	0.06	0.49	0.46				
Deviation												
from								1/	2/			
normal	-.86	-.51	+.04	+.36	-.27	-.43	-.21	-.93	-1.31			
South Dakota												
Normal ...	1.69	1.31	0.68	0.58	0.56	0.58	1.12	2.17	3.04	3.55	2.63	2.33
1933-34												
Total ..	1.21	0.12	0.24	0.56	0.25	0.17	0.96	1/.48				
Deviation												
from								1/	2/			
normal	-.48	-1.19	-.44	-.02	-.31	-.41	-.16	-1.69	-1.31			
Minnesota												
Normal ...	2.91	1.95	1.16	0.78	0.74	0.75	1.19	2.07	3.24	4.05	3.38	3.17
1933-34								1/				
Total ..	3.07	1.44	0.85	1.08	0.55	0.24	0.71	1.09				
Deviation												
from								1/	2/			
normal	+.16	-.51	-.31	+.30	-.19	-.51	-.48	-.98	-1.58			
Montana												
Normal ...	1.39	1.03	1.00	0.89	0.88	0.70	0.94	1.16	2.26	2.51	1.49	1.17
1933-34							1/					
Total ..	0.85	1.49	0.71	2.05	0.72	0.28	1.29	1/.51				
Deviation												
from							1/	1/	2/			
normal	-.54	+.46	-.29	+1.16	-.16	-.42	+.35	-.65	-.98			

1/ Preliminary.
2/ Deviation from normal during period May 1 to 21.

In the wheat regions of the Prairie Provinces rainfall during the first 3 weeks of May was considerably less than average and hence was distinctly unfavorable to the new crop. However good supplies of subsoil moisture resulting from precipitation of last fall are a favorable factor in most of these regions so that unless the drought should continue into June and July, good crops are to be expected. Due to the tendency for marked weather abnormalities to persist, however, there appears to be a good chance that there will be subnormal precipitation during June.

Table 5.- Weather and wheat yields in North Dakota

Year of harvest	Weather factors: Sept.-Oct. precipitation of preceding year	Apr.-May precipitation	June temperature	July precipitation	July temperature	Wheat yields per acre: Actual	Calculated from weather: Linear regression	Curvelinear regression
	Inches	Inches	Degrees F	Inches	Degrees F.	Bushels	Bushels	Bushels
Average 1900-1915 and 1917-1929	2.81	3.68	62.4	2.53	67.7	11.4	-	-
1900	1.76	1.44	66.9	2.25	67.9	4.9	6.0	4.7
1901	6.49	1.29	61.6	4.28	70.8	13.1	12.5	11.6
1902	3.62	4.63	58.0	2.15	67.6	15.9	14.8	15.3
1903	2.01	4.35	62.4	2.23	66.7	12.7	11.6	12.7
1904	3.93	2.46	61.4	2.49	64.4	11.8	12.8	12.8
1905	2.68	3.68	59.7	3.90	65.6	14.0	15.0	16.0
1906	2.07	6.13	62.0	1.97	66.9	13.0	13.1	13.1
1907	1.77	1.68	61.9	3.14	65.8	10.0	10.7	10.2
1908	2.09	4.44	60.4	2.10	68.6	11.6	12.0	12.2
1909	2.69	5.10	62.9	2.89	67.1	13.7	12.9	13.7
1910	1.50	2.26	67.3	1.60	70.0	5.0	4.8	3.7
1911	2.50	4.18	66.9	1.82	65.1	8.0	9.5	10.0
1912	3.81	6.86	61.8	3.54	66.0	18.0	16.8	16.2
1913	3.62	2.39	65.8	2.30	65.6	10.5	9.5	9.5
1914	3.38	3.78	62.2	2.31	72.1	11.2	10.0	10.7
1915	2.04	4.24	56.7	3.01	62.3	18.2	17.2	17.9
1916	3.43	3.62	58.0	3.16	73.1	5.5		
1917	2.31	1.98	59.7	1.66	70.9	8.0	9.0	7.8
1918	1.85	4.45	63.3	2.71	65.5	13.6	12.0	13.6
1919	.93	4.75	67.2	1.81	71.2	6.9	6.4	6.5
1920	2.00	2.57	62.2	2.16	68.3	9.0	9.5	9.1
1921	2.72	4.27	68.2	3.07	71.4	8.5	7.7	8.3
1922	4.03	4.03	63.5	2.43	65.6	14.1	12.6	13.9
1923	2.73	3.22	66.1	3.14	71.2	7.4	8.1	8.4
1924	3.27	3.34	58.6	1.95	65.5	15.7	13.8	14.4
1925	4.74	3.08	61.5	1.34	66.7	11.7	11.8	11.8
1926	3.52	2.46	60.7	2.00	70.3	8.0	10.2	9.6
1927	3.91	7.32	61.2	2.85	65.4	12.7	17.1	15.1
1928	2.32	2.03	58.2	5.05	67.4	14.4	14.7	14.2
1929	1.34	4.30	61.4	1.27	70.6	9.4	9.2	9.3
1930	3.50	3.87	63.3	1.04	72.3	11.0	8.2	7.9
1931	2.83	1.84	68.4	3.03	70.6	6.4	5.8	5.0
1932	3.53	4.30	67.0	2.01	70.0	10.4	8.4	8.9
1933	2.95	4.48	70.7	2.00	71.9	6.8	5.3	5.4
1934	1.32	1/(1.55)						

1/ Assuming normal precipitation May 22 to 31.

World Trade and Surpluses

Since early February shipments of wheat from the principal exporting countries have shown a declining trend. A 3 weeks' moving average of weekly shipments has fallen from a peak of a little over 12,500,000 bushels at the beginning of February to a little less than 9,000,000 bushels in mid-May. It has been at approximately 9,000,000 bushels weekly since early April. Last year shipments averaged 10,600,000 bushels weekly during the 3 months April to June and market conditions now suggest that the average during the corresponding period of this year may be slightly under 9,000,000 bushels weekly.

The surplus of wheat available for export or carry-over as of May 1 in the four principal exporting countries is estimated at 709,000,000 bushels this year, compared with 822,000,000 last year. If to the surplus of these four countries is added quantities afloat and United Kingdom port stocks, the totals amount to 753,000,000 and 875,000,000 bushels respectively. A revision in the Australian exportable surplus for the year was occasioned by an increase in the estimated production of that country. Consequently, present indications are that surplus supplies in the above positions as of July 1 may be less than those of last year by only about 110,000,000 bushels.

Exports from nine important exporting countries for the period August 1933 through the third week of May 1934 are shown in the accompanying table. It will be seen that the United States, Canada and Australia were still well below the quotas allotted them, 47,000,000 bushels, 200,000,000 bushels and 105,000,000 bushels respectively, at the London Wheat Conference for the period August 1933 through July 1934. The figures given are totals rather than net exports, but there is little difference between the two save in the case of the United States for which total exports are considerably increased above net exports on account of flour milled from Canadian wheat and exported.

Table 6.- Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, May 1, 1931-1934

Position	May 1			
	1931	1932	1933	1934
United States	Mil.bush.	Mil.bush.	Mil. bush.	Mil. bush.
Domestic wheat	335	404	395	266
Canadian wheat	3	5	2	2
Canada				
Domestic wheat	208	187	265	237
United States wheat	6	27	5	2
Argentina	95	57	84	102
Australia	92	76	71	100
Total	739	756	822	709
United Kingdom port stocks				
Wheat	9	11	11	(14
Flour (as wheat)	1	1	1	(
Afloat for United Kingdom	14	15	17	(
Afloat for Continent	24	23	13	(30
Afloat for orders	10	17	11	(
Total	58	67	53	44
Grand total	797	823	875	753

Table 7.- Wheat, including flour: Exports from the principal exporting countries, August 1933-April 1934

Year and month	United States	Canada	Argentina	Australia	Danubian countries: Bulgaria	Hungary	Rumania	Yugoslavia	Total	Russia	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1933-34											
Aug.	1,721	10,814	16,322	8,033	272	1,804	1/ 9	1/ 64	2,149	2,243	41,282
Sept.	1,531	22,153	7,136	7,203	723	4,361	1/ 4	1/ 134	5,222	6,226	49,471
Oct.	1,490	25,926	5,766	4,703	434	3,630	1/ 70	1/ 178	4,312	5,733	47,930
Nov.	1,930	25,608	3,839	5,655	514	4,229	1/ 51	1/ 18	4,812	5,984	47,828
Dec.	5,976	19,340	6,279	7,430	644	1,642	1/103	1/ 9	2,398	6,541	48,014
Jan.	4,570	9,107	15,219	2/9,288	---	1,991	1/ 0	1/ 22	2/ 960	2,865	42,009
Feb.	4,039	7,990	17,212	2/9,392	---	1,687	---	---	2/ 616	2/ 1,688	40,937
Mar.	4,733	12,323	17,375	2/8,228	---	---	---	---	2/ 272	2/ 616	43,547
Apr.	3/5,319	5,101	10,409	2/5,376	---	---	---	---	2/2,320	2/ 256	28,781
Apr. 29 - May 19 3/	2,359	4/12,031	2/7,649	2/3,780	---	---	---	---	2/1,616	2/ 248	27,683
Total	33,668	150,393	107,206	69,138					24,677	32,400	417,482
Total Aug. 1,- May 19 as reported by Broomhall	182,830		104,477	71,080					14,896	26,656	399,939

Compiled from official sources except as otherwise noted.
1/International Institute of Agriculture.
2/Broomhall's Corn Trade News.
3/Preliminary
4/North American shipments as reported by Broomhall, less United States exports as officially reported.

Argentina, on the other hand, has already exported almost the total of the 110,000,000 bushels allotted her at last summer's conference. Her shipments during April declined from a level of 4,000,000 bushels weekly to only about 2,000,000 bushels during the last 3 weeks of that month, but for the week of May 19 they arose again to 3,600,000 bushels. During the months May to July 1933 Argentine exports of wheat and flour amounted to 43,000,000 bushels. If her remaining surplus for export and carry-over as of May 1 actually amounts to 102,000,000 bushels as is now estimated, compared with 84,000,000 bushels as of the corresponding date last year, it appears that Argentina will have to export or denature somewhere in the vicinity of 60,000,000 bushels if her stocks on August 1, 1934 are not to exceed those of the corresponding date of 1933.

Prices

The outstanding price development in the past month has been the very rapid rise of prices in the United States resulting from changes in crop prospects due to the drought. During April, July futures fell to a low closing level of 75 cents per bushel on the 19th. During late April and early May prices rose rapidly, reaching a closing level of 89-5/8 cents on May 17. On the 23rd, July futures at Chicago closed at 88-7/8 cents. The rise in prices has been shared by all classes of wheat. Thus, No. 2 Hard Winter rose from a low weekly average of 70.4 cents per bushel for the week ended April 28 to 82.3 cents for the week ended May 19. During the same period, No. 1 Dark Northern Spring rose from 80.6 cents to 94.2. No. 2 Amber Durum rose from 95.6 to 106.3 cents, and No. 2 Red Winter from 73.2 to 82.3 cents per bushel. At Seattle, western white rose from 70 cents per bushel for the week ended April 28 to 76 cents for the week ended May 19.

Relatively little change has taken place in wheat prices in other markets of the world. At Liverpool, near futures advanced only from 63.5 cents for the week ended April 28 to 65.9 cents for the week ended May 19. At Buenos Aires there was a decline from 53.8 to 53.6 cents in the price of near futures. At Winnipeg, on the other hand, No. 3 Manitoba Northern rose from 60.2 to 64.6 cents per bushel, Canadian prices apparently rising partly in sympathy with prices in the United States, and partly because of unfavorable conditions for the Canadian crop.

Table 8.- Wheat: Price per bushel at specified markets, in terms of United States currency, by weeks, March - May, 1934

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/	Paris 6/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Mar. 10	81.7	88.6	62.6	52.8	63.8	60.0	208	228	199
17	82.6	89.7	62.0	53.3	63.3	60.2	208	228	199
24	82.3	89.6	61.2	53.6	62.9	60.4	209	229	200
31	81.2	87.9	61.6	53.6	64.8	59.4	213	228	203
Apr. 7	81.5	87.6	62.1	54.2	66.3	61.0	212	232	204
14	80.3	88.2	61.9	54.2	66.5	59.9	211	232	207
21	73.2	81.2	60.4	53.9	64.4	61.0	211	232	205
28	70.4	80.6	60.2	53.8	63.5	60.8		233	202
May 5	73.7	83.5	60.9	53.7	63.9	60.6		235	200
12	82.9	91.8	64.9	53.8	66.4			235	
19	82.3	94.2	64.6	53.6	65.9				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday, Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter. 2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern. 4/ Near futures.
5/ Home-grown wheat in England and Wales. 6/ Domestic.

Table 9.- Wheat: Closing prices of July futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	75	90	70	82	73	90	59	73	63	70	4/47	4/54
Low 3/	55	75	49	67	53	72	43	66	49	66	4/35	4/53
Apr. 28	72	78	66	71	70	77	53	67	56	67	4/41	4/54
May 5	74	80	68	72	73	80	57	67	63	67	4/47	4/53
12	74	86	69	78	73	86	58	70	63	69	4/47	4/54
19	70	89	64	82	69	90	55	71	60	68	4/44	4/54

1/ Conversions at noon buying rate of exchange. 2/ Prices are of day previous to other prices. 3/ April 1 to date. 4/ June futures.

Table 10.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 2/	74	93	72	83	76	94	78	116	82	87	64	77
Low 2/	58	79	54	70	59	81	62	87	60	73	56	69
Apr. 28	71	79	66	70	73	81	75	96	75	73	60	70
May 5	74	83	71	74	76	84	78	101	80	76	62	72
12	74	93	72	83	76	92	75	116	82	84	64	77
19	74	93	71	82	76	94	73	106	81	86	64	76

1/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery
2/ April 1 to date.

The Continental European Wheat Market Situation During April 1/

Trading in wheat and wheat flour on continental European markets during April was of fair volume, considering this year's limited requirements. Demand was temporarily dull, but as farm offerings were also light, domestic wheat prices were generally maintained. Import buying of foreign wheat was quiet during the first half of April, but during the last ten days of the month there was a noticeable pick-up. Manitobas were in greatest demand, but there was also a fair business in Plates and Hungarian wheat, the bulk of the latter going to Austria. Domestic wheat prices in the important continental countries were generally stable during April. German prices were further increased as a result of new flour mill regulations.

There was an increase in continental European port stocks of wheat from the middle of March to the middle of April. Port stocks in 12 principal continental ports totaled 8,084,000 bushels on April 15, this year, compared with 6,246,000 bushels on March 15, this year and 7,165,000 bushels on April 15, last year. The latest estimate of German internal stocks appears to be unreliable.

Germany

Trade in wheat and wheat flour in Germany during April was strongly influenced by various government measures. In anticipation of the proposed changes in the fixed prices to be paid by flour mills for wheat and rye, there was active trading in wheat toward the end of March, but trade quieted down after April 1, when the new prices came into effect. Business in wheat was also dulled by the April milling contingent, which was 25 percent smaller than for March. This, of course, improved the flour market. The effect on the grain market was offset to some extent by reduced farm offerings of wheat.

1/ Based on a report of Donald F. Christy, Assistant Agricultural Attache' Berlin Germany, April 30, 1934.

Table 11.- Continental European stocks of wheat, March and April, 1933 and 1934

Position	1933		1934	
	Mar.	Apr.	Mar.	Apr.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Antwerp 1/	1,549	2,859	2,507	3,918
Rotterdam 1/	1,066	1,139	2,039	2,205
Wheat stocks 12 principal continental ports (includes above two ports) 1/	4,915	7,113	6,100	8,008
Berlin (wheat and flour) 2/	2,030	1,741	2,151	2,632
Hamburg (rough estimate) 1/	331	661	367	404
Bremen and Brake 1/	26	50	67	95
German farm stocks 2/	59,047	46,260	63,162	37,993
German "second-hand" stocks (wheat and flour) 2/ 3/	31,478	32,253	55,578	56,203
Swedish mill stocks of wheat	2,295	2,498	3,177	3,396

1/ Middle of month. 2/ First of month.
3/ In warehouses and flour mills. These totals are estimated to include 95 percent of all the stocks in warehouses and flour mills, and therefore must contain most of the Berlin, Hamburg, and Bremen-Brake data.

During the first half of April, there was also a slow demand for foreign wheat though , for the month as a whole, foreign purchases were well maintained. In addition to the usual demand for Manitobas there were some purchases of Plates as the price of the latter laid down in Germany was about Rm. 200.00 per metric ton, ($2.15 per bushel converted at average exchange during April) compared with the fixed price paid for domestic wheat of Rm. 205.00 per metric ton ($2.21 per bushel converted at average exchange during April). Purchases of Plates were confined to mills in the Rhineland.

Increased purchases of foreign wheat toward the end of the month brought about an improvement in the price of wheat export certificates, but part of the improvement was probably due to the growing scarcity of certificates as exports of German wheat and wheat milling products have recently been small. The improvement in the price per bushel of both wheat and rye certificates is shown below.

	Wheat		Rye	
	May	June	May	June
	Cents	Cents	Cents	Cents
Apr. 14	152	153	117	118
Apr. 24	155	156	119	119

Converted at current exchange

Exports of both wheat and wheat milling products were unsatisfactory during April. Imports and exports of wheat and wheat flour for the present season, together with comparisons, are shown in the following table.

Table 12.- Imports and exports, wheat and wheat flour, grain equivalent, 1931-32 to 1933-34

Month	Imports			Exports			Net imports (+) or exports (-)		
	1931-32	1932-33	1933-34	1931-32	1932-33	1933-34	1931-32	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Aug.	1,800	3,631	2,276	57	1,482	1,981	+1,743	+2,149	+ 295
Sept.	2,516	2,727	2,198	3,077	5,120	3,987	- 561	-2,393	- 1,789
Oct.	2,433	3,024	2,724	2,810	4,631	3,963	- 377	-1,607	- 1,239
Nov.	2,493	2,513	2,671	2,680	3,247	4,838	- 187	- 734	- 2,167
Dec.	2,992	2,753	2,373	1,930	1,982	4,476	+1,062	+ 771	- 2,103
Jan.	2,686	1,994	1,804	1,074	3,413	2,634	+1,612	-1,419	- 830
Feb.	2,682	1,731	2,397	266	2,228	1,958	+2,416	- 497	+ 439
Mar.	1,611	2,237	2,213	182	902	1,928	+1,421	+1,335	+ 285
Aug.-Mar.	19,213	20,610	18,656	12,076	23,005	25,765	+7,137	-2,395	- 7,109

Publication of the first-hand and second-hand stocks of wheat in Germany as of the end of March 1934, showed surprising changes. According to these statistics, the total disappearance of wheat during March was 23,883,000 bushels compared with only 13,228,000 bushels in February and 17,269,000 bushels in January. This decline is all the more surprising as flour mills with a daily capacity in excess of 34 barrels milled only 11,905,000 bushels of wheat in April. As exports were small and feeding of wheat is also believed to have been very limited, it appears that there is either a mistake in the statistics or else a great deal of wheat in transit at the time the stocks were enumerated, was not included. It is possible, however, that a considerable portion of this wheat represents government purchases for the national reserve which, of course, do not show up in the stocks figures.

At the beginning of March, the Ministry of Agriculture informed flour mills that they would soon receive their final milling contingents for the present crop year. It now appears, however, that the contingents will not be decided upon before May, and mills are in a quandary as to their future operations. The whole question of regulating the milling industry is still very uncertain . For instance, it is not yet clear whether fixed prices will be extended to flour and bran. Some observers think so; others believe that the spreads between the various qualities of flour will be fixed, but that the basic flour price will be left to fluctuate according to supply and demand. This latter, however, would seem to be in opposition to the present government's views on controlled marketing. It was recently reported that the Ministry of Agriculture is planning to revise all flour quotations. The report indicated that only a few standard qualities would be permitted.

It is now becoming clear that the government will not pay the fixed prices for all wheat and rye produced during the coming crop year. These fixed prices will be paid only for that quantity necessary to supply

domestic market requirements, though just exactly what these requirements include has not been made clear. We assume that they will correspond roughly to that wheat on which the processing tax is paid in the United States.

On March 26, the Ministry of Agriculture authorized the Reichsnährstand to limit the sale of certain seeds to those that are certified.

Further legislation which may affect consumption of wheat to some extent was the issuance of an ordinance providing for certain changes in the night labor regulations for bakers and confectioners, and applying to the period April 1 to September 30, 1934. Previous legislation prevented bakers from starting work before 5 a.m. but they are now permitted to commence their preparatory work at 4 a.m. and actual baking operations at 4.30 a.m. The Ministry of Agriculture expects this to result in a considerable increase in wheat consumption - a figure of 3,674,000 bushels being mentioned for the remainder of the present crop year. This estimate should be used with caution until the basis for it can be checked.

Holland and Belgium

Business in both domestic and imported wheats in these countries was limited in April. Dutch purchases were mainly of Manitobas, but toward the end of the month Hungarian wheat was also in demand. Belgium purchased mainly Manitobas and Plates.

The Dutch Government experienced considerable difficulty in disposing of the 367,000 bushels of German wheat they had purchased so that further purchases are unlikely. Some sales of Dutch wheat to England were consummated during April. It has just been announced that all rye flour imports into Holland will be handled through the Dutch Flour Central at The Hague.

Belgian officials are entertaining certain proposals from Australian wheat exporters, which would provide for an exchange of Australian wheat for Belgian industrial products. Belgian glassware was particularly mentioned.

Czechoslovakia

The wheat and flour trade was quiet during April. At the same time, farm offerings were small, as a result of field work, so that prices were maintained at previous levels.

Reports indicate that present stocks of wheat and wheat flour are sufficient for the remainder of this season, and imports of wheat are, therefore, unlikely for the next several months. There is still a great deal of discussion regarding changes in the present grain marketing system, with strong support for a complete monopoly.

Austria

Business in both wheat and wheat flour was quiet during April. It now appears that domestic wheat supplies are practically exhausted, and substantial imports will be needed during the remainder of this crop year.

This would appear to be verified by the recent action of the Austrian Government in granting Hungary new preferential import contingents 1/ for the remainder of the current season. The previous Hungarian contingent was exhausted some time ago. Hungary was also granted a further tariff preference. The duty on Hungarian wheat which was formerly 3.2 gold crowns per 100 kilograms below the usual duty, is now lower by 7.2 gold crowns, (68 cents per bushel). The present duty is 83 cents per bushel on the basis of current exchange on May 12 compared with $1.51 for United States wheat. There was little opposition to this on the part of Austrian farmers as farm stocks of wheat are almost non-existent. Austrian flour mills, however, made a strong protest as they are certain to incur a loss on flour still in their possession which was made from wheat imported at the higher duty rate.

The recent negotiations between Italy, Austria and Hungary at Rome will probably result in Austria limiting her imports of wheat almost entirely to Hungarian varieties.

Poland

The wheat market was weak during April, and stocks are reported to be plentiful so that imports during the present crop year will be very small. The export premiums for grain and flour which were to expire April 1, 1934, were prolonged unchanged. They are 6 Zlotys per 100 kilograms for wheat (31 cents per bushel), rye (29 cents per bushel) and barley (25 cents per bushel), 4 Zlotys for oats (11 cents per bushel), 10 Zlotys for first quality wheat flour ($1.69 per barrel), and 8 Zlotys per 100 kilograms for medium quality wheat flour ($1.35 per barrel at average rate of exchange during April).

During the first 9 months of the present crop season the State Grain Industry Works at Lublin purchased about 25,589,000 bushels of rye, or about 10 percent of the 1933 crop. This intervention was necessary as a result of the larger crop and the declining rye consumption. Of the purchases, about 11,614,000 bushels were disposed of on European markets, and 4,921,000 bushels were exported to the United States. An additional 1,968,000 bushels is expected to be used for the manufacture of alcohol on which new export premiums have been established. The supporting purchases of this organization have been considered successful as rye prices were maintained at about 14.50 Zlotys per 100 kilograms (70 cents per bushel converted at average rate of exchange during April) which, however, is considerably below prices at this time last year. Farm prices, however, in March had fallen below 12 Zlotys (58 cents per bushel converted at average rate of exchange during March) in some districts.

1/ Based on the existing so-called Credit Favor Treaty.

Finland

Beginning with April 1, 1934, the milling quota for domestic rye and the mixing quota for domestic rye flour has been fixed at 1 percent each. This is a reduction from the former 10 percent. Reports indicate that Hungary is making strenuous efforts to dispose of Hungarian wheat for Finland.

Table 13.-Wheat, including flour: Shipments from principal exporting regions, specified dates, 1932-33 and 1933-34

Date	Argentina		Australia		Danube		North America	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 2 - July 29	3,264	14,140	7,672	8,728	208	0	22,896	14,296
July 30- Sept. 2	3,712	16,464	5,816	8,904	0	0	26,344	20,568
Sept. 3- Sept.30	3,368	7,896	6,228	7,548	16	1,008	25,200	17,328
Oct. 1- Oct. 28	2,876	4,772	6,912	4,012	360	2,832	33,864	21,136
Oct. 29- Dec. 2	4,220	4,884	9,668	6,488	904	3,424	46,440	26,936
Dec. 3- Dec. 30	5,852	5,016	8,916	8,064	128	1,848	23,896	14,664
Dec. 31- Jan. 27	12,228	10,672	22,308	9,288	0	960	20,200	17,240
Jan. 28- Feb. 24	17,392	15,872	26,832	9,392	0	616	16,768	16,872
Feb. 25- Mar. 31	19,032	20,404	28,252	8,228	32	272	22,216	18,816
Week ended								
Apr. 7	4,676	2,416	2,428	1,324	0	536	2,608	3,264
14	2,792	4,300	2,712	1,408	0	360	3,584	4,200
21	3,140	1,904	4,136	1,444	0	1,096	2,632	3,720
28	4,792	2,228	1,920	1,200	0	328	5,728	3,696
May 5	3,364	2,084	3,968	1,640	0	480	4,984	4,344
12	4,080	1,941	3,896	951	0	880	4,376	4,687
19	2,972	3,624	2,028	1,189	56	256	6,704	5,359
Total, July 2- May 19	97,760	118,617	143,692	79,808	1,704	14,896	268,440	197,126

Compiled from Broomhall's Corn Trade News.

Table 14.- Wheat, including flour: Net imports into European countries, 1931-32 to 1933-34

Country	1931-32	1932-33	Net imports reported July 1, to	1932-33	1933-34
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	245	217	Mar. 31	159	162
Italy	33	13	Jan. 31	7	3
Belgium	48	41	Feb. 28	27	26
France	81	38	Feb. 28	33	14
Netherlands	31	26	Mar. 31	21	19
Germany	22	9	Mar. 31	3	1/ - 5
Greece	24	20	Nov. 30	8	6
Irish Free State	20	18	Mar. 31	13	14
Switzerland	21	19	Mar. 31	15	13
Austria	14	13	Feb. 28	8	6
Czechoslovakia	20	7	Mar. 31	3	2/
Denmark	17	12	Mar. 31	10	10
Norway	9	8	Mar. 31	6	6
Finland	4	4	Feb. 28	3	3
Sweden	7	4	Mar. 31	3	1
Poland	1/ - 3	1/ - 1	Mar. 31	3/	3/
Portugal	2	3	Dec. 31	2	2/
Latvia	1	2/	Dec. 31	2/	0
Estonia	1	2/	Feb. 28	2/	2/
Spain	2	8	Feb. 28	8	3/
Total	599	459		329	278

Division of Statistical and Historical Research. Compiled from official sources.

1/ Net exports.
2/ Less than 500,000 bushels.
3/ Net exports of less than 500,000 bushels.

Table 15.- Wheat, including flour: Movement from principal exporting countries, 1930-31 to 1933-34

Country	Exports as given by official sources						
	Total			July 1 to date shown			Date
	1930-31	1931-32	1932-33	1931-32	1932-33	1933-34	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	131,475	135,797	41,211	106,998	36,229	27,380	Mar. 31
Canada	267,365	199,563	267,342	163,515	223,886	156,953	Apr. 30
Argentina	120,633	144,920	120,272	123,753	91,970	114,493	Apr. 30
Australia	143,293	155,451	148,060	73,972	68,679	51,766	Jan. 31
Russia	111,780	71,829	19,183	69,965	18,617	29,668	Jan. 31
Hungary	18,425	18,064	7,010	13,711	3,947	15,969	Dec. 31
Yugoslavia	5,337	15,365	1,169	11,898	1,130	430	Jan. 31
Rumania	16,072	37,481	186	34,161	174	238	Jan. 31
Bulgaria	5,041	11,795	3,144	6,521	2,181	2,879	Dec. 31
British India (L & S)	10,197	1/ 2,913	1/ 871	1/ 2,268	1/ 666	1/ 496	Feb. 28
Total	829,626	793,178	608,448	606,762	447,479	400,272	

	Shipments as given by trade sources						
	Total		Week ended			July 1 - May 19	
	1931-32	1932-33	May 5	May 12	May 19	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	333,638	298,504	4,344	4,387	5,359	268,440	197,126
Canada, 4 markets 3/	206,258	289,257	2,127	8,150	6,881	253,189	155,754
United States	135,797	41,211	1,114	501	744	38,582	35,054
Argentina	144,573	115,412	2,084	1,941	3,624	97,760	118,617
Australia	161,288	153,400	1,640	951	1,189	143,692	79,808
Russia 4/	71,664	17,408	248	0	0	17,408	26,656
Danube and Bulgaria 4/	39,280	1,704	480	880	256	1,704	14,896
British India	5/ 2,913	5/ 871	0	0	0	0	0
Total 6/	753,359	587,299	8,796	8,459	10,428	529,004	437,103
Total European shipments 2/	597,976	448,672	6,808			7/ 383,496	7/ 337,008
Total ex-European shipments 2/	194,464	164,256	2,448			7/ 145,704	7/ 107,448

1/ Sea trade only.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To May 5.

Table 16.- United States: Exports of wheat and wheat including flour, by weeks, 1932-33 and 1933-34

Date	Wheat		Wheat flour		Wheat including flour	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 2 - July 29	1,962	21	206	169	2,931	815
July 30 - Sept. 2	3,841	19	306	249	5,279	1,189
Sept. 3 - Sept. 30	1,692	133	202	156	2,642	865
Oct. 1 - Oct. 28	2,030	13	209	121	3,013	581
Oct. 29 - Dec. 2	2,932	932	312	165	4,399	1,707
Dec. 3 - Dec. 30	810	3,393	241	199	1,942	4,328
Dec. 31 - Jan. 27	1,100	2,868	209	210	2,082	3,854
Jan. 28 - Feb. 24	549	2,379	205	189	1,513	3,267
Feb. 25 - Mar. 31	275	3,220	255	234	1,473	4,319
Week ended						
Apr. 7	0	1,245	31	42	146	1,442
14	7	1,861	54	57	261	2,129
21	4	452	59	53	281	701
28	4	812	53	50	253	1,047
May 5	4	747	41	78	197	1,114
12	4	421	42	17	201	501
19	4	532	41	45	197	744

Division of Statistical and Historical Research. Compiled from a weekly report of the Bureau of Foreign and Domestic Commerce.

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June 26, 1934

WORLD WHEAT PROSPECTS

Summary

The world's wheat crop outside of Russia and China in the 1934-35 season now seems likely to be about 7 percent less and the total supply about 8 percent less than those of the past season, according to the Bureau of Agricultural Economics of the United States Department of Agriculture. Production in the Northern Hemisphere outside of Russia and China seems likely to be about 200,000,000 bushels, and average yields in the Southern Hemisphere would produce about 60,000,000 bushels, less than a year ago. China is reported to have a better crop, but the Russian crop seems likely to be less than a year ago. The stocks of old wheat as of July 1 seem likely to be about 50,000,000 bushels less than a year earlier. The world's wheat supply for the 1934-35 season, therefore, seems likely to be about 300,000,000 bushels less than that of the previous season. World wheat prices have risen in response to the prospective reduction in the supply, and are likely to be maintained at a level somewhat above that of the past season.

The new wheat crop of the United States seems likely to be about 100,000,000 bushels short of domestic requirements and this shortage will result in the use of the excess in the carry-over from previous years.

If the spring wheat crop amounts to only 100,000,000 bushels and the winter wheat crop to 400,000,000 bushels as indicated by June 1 conditions, the United States total crop this year will be about 100,000,000 bushels short of probable domestic utilization. If the carry-over as of July 1 is only about 265,000,000 bushels, the excess of domestic consumption over the new crop may result in a carry-over as of July 1, 1935 of about normal proportions.

The supply of wheat east of the Rockies will again be short, while the supply west of the Rockies will exceed the local requirements of that area. Some of the western wheat can be absorbed in the East without exporting any significant quantities and without leaving a carry-over in excess of normal.

The durum and hard red spring wheat crops will be short, and the carry-over of these wheats is not sufficient to provide for the average consumption and maintain a normal carry-over. It will be necessary to substitute some other wheats for durum and to import to meet domestic requirements. Some hard red winter wheat is likely to be substituted for hard red spring, and some hard wheat may be imported from Canada. The prices of durum and hard red spring are likely to be high in relation to the prices of other classes of wheat. Some white wheat and possibly some red winter may be exported from the Pacific Coast unless the surpluses of these wheats in that area are drawn into the Eastern States for consumption.

World Crop Prospects

Wheat crop prospects for 1934-35 are generally below those of a year ago, both for importing and exporting countries. The principal exceptions where better crops are expected are Canada, Spain, Portugal, Morocco, Tunis and India, to which may be added China, Manchuria and Japan.

At the present time conditions in Canada indicate a crop about 80,000,000 bushels larger than last year when the smallest crop since 1924 was harvested. The official report as of May 31 showed lower conditions in each of the three Prairie Provinces than a year ago, but fairly heavy and well distributed rains with a change to cooler weather since June 1 have brought general relief. Grasshoppers were reported developing rapidly and to be causing serious damage in Manitoba and Saskatchewan and, although inactive during the present cooler wet weather, still remain a serious threat.

The entire Continent of Europe has suffered from drought. The Berlin office reports that the total grain production is certain to be 25 to 30 percent below the average of the past 3 years, regardless of future weather developments. Winter grains have headed short and spring grains are hard hit. The French crop is estimated by the Paris office to be about 86,000,000 bushels less than that of the previous season. The Belgrade office estimates that the production of the Danube countries will be reduced about 100,000,000 bushels.

Table 1.- Wheat: World supply, price and disappearance, 1921-22 to 1934-35

Year	Production						
	United States	Canada	Argentina	Australia	Europe 1/	All other 2/	World production 2/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1921-22	819	301	191	129	1,224	515	3,179
1922-23	847	400	196	109	1,045	606	3,203
1923-24	759	474	248	125	1,257	656	3,519
1924-25	840	262	191	165	1,058	610	3,126
1925-26	669	395	191	115	1,397	613	3,380
1926-27	834	407	230	161	1,216	647	3,495
1927-28	875	480	282	118	1,274	642	3,671
1928-29	913	567	349	160	1,410	594	3,993
1929-30	822	305	163	127	1,451	703	3,571
1930-31	890	421	232	214	1,361	732	3,850
1931-32 3/..	932	321	220	191	1,436	754	3,854
1932-33 3/..	744	443	235	213	1,495	677	3,807
1933-34 3/..	527	270	(283)	174	1,737	722	3,713
1934-35 3/..	500	(350)	(235)	(160)			

Year	Shipments from Russia	Stocks accounted for July 1 4/	Total supply	Total disappearance	Average price per bushel: British parcels (simple average)	Average price per bushel: No.2 Hard Winter at Kansas City (weighted average)
	Million bushels	Million bushels	Million bushels	Million bushels	Cents	Cents
1921-22	5/	309	3,488	3,195		120
1922-23	1	293	3,497	3,185	136	113
1923-24	21	312	3,852	3,505	121	105
1924-25	6/	347	3,473	3,191	179	135
1925-26	27	282	3,689	3,401	170	163
1926-27	49	288	3,832	3,496	164	135
1927-28	5	336	4,012	3,590	154	135
1928-29	6/	422	4,415	3,798	129	112
1929-30	7	617	4,195	3,612	131	120
1930-31	112	583	4,545	3,877	80	76
1931-32 3/..	72	668	4,594	3,896	59	47
1932-33 3/..	19	698	4,524	3,743	54	51
1933-34 3/..		781			7/ 70	8/ 85

1/ Excludes Russia. 2/ Excludes Russia and China. 3/ Preliminary.
4/ Estimates of stocks represent carry-over in the United States and supplies available for export and carry-over in Argentina, Australia and Canada, the United Kingdom port stocks and supplies afloat.
5/ Not available. 6/ Less than 500,000 bushels. 7/ Ten months.
8/ Eleven months.

In Russia spring seedings have exceeded the area sown in 1933. Weather conditions, however, have been unfavorable to the development of both the winter and spring seedings. The spring was very dry through a large section of Russia. It is admitted that the drought has damaged the prospects in some of the important southern regions. Recent rains may overcome some of the damage.

In the three North African countries (Morocco, Algeria and Tunisia) climatic conditions during April and May were rather favorable on the whole. Only in the southern part of Tunisia persistent drought greatly impaired the crop, which will have a reaction on the durum wheat production of that country. It seems that the crop in all three countries, which had a rather bad start last winter, owing to unfavorable climatic conditions delaying sowing operations, has recovered considerably. It might not be advanced enough, however, particularly in Algeria, to resist sirocco winds which fortunately have not made their appearance up to the present. In the Algerian hinterland, where the crop is backward on account of late sowings, the stand is light and the fields are heavily infested by weeds. This situation is expected to affect the durum wheat output. Generally speaking, the total North African production of both bread and durum wheat will be larger than last year, due to the larger output in Tunisia which in 1933 had a poor crop. In Morocco, the 1934 crop will also be better than last year, while it is expected to be smaller in Algeria.

The Argentine wheat acreage now being seeded is unofficially estimated likely to be about the same as last year and the 1930-1932 average. It is estimated that 40 to 50 percent of the wheat area had been seeded by June 1. In Australia the area is estimated at 13,500,000 acres, a reduction of approximately 1,400,000 acres. Unfavorable seeding conditions, particularly in the eastern regions, together with the relatively more favorable wool prices than wheat prices, have helped to cause the reduction.

Rye Prospects

A smaller rye crop is also expected in the principal rye-producing countries of Europe. Nearly all countries have reported a smaller area except Poland, but the increase there is only 0.2 percent. Reports of extensive damage from drought have been current from Germany, Poland, and Czechoslovakia although the official reports from these countries still show average or above average conditions. The rye crop in the Danube Basin is forecast by the Belgrade office of the Bureau of Agricultural Economics as the smallest since 1924 and more than 40 percent below the 1933 harvest.

The rye crop of the United States is estimated at 18,756,000 bushels, a decrease of about 9,000,000 bushels from the May 1 estimate. Last year production was estimated at 21,184,000 bushels and the 5-year (1927-1931) average production was 40,950,000 bushels. The condition of June 1, 1934 was 43.5 percent of normal, the lowest June 1 condition on record. The condition is below average in nearly all parts of the country and is especially low in an area reaching from North Dakota

Table 2.- Wheat: Production in specified countries, 1931-1934

Country	Harvest year			
	1931	1932	1933	1934 prel.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Canada	321,325	443,061	269,729	1/ (350,000)
United States, winter	817,962	475,709	351,030	400,357
spring	114,259	268,367	176,383	(100,000)
Italy	244,415	276,922	297,633	2/ 250,000
France	264,117	333,524	362,330	2/ 276,000
Spain	134,427	184,207	138,235	2/ 176,000
Portugal	12,999	23,791	16,013	2/ 18,000
Bulgaria	63,831	50,553	58,858	3/ 44,000
Hungary	72,550	64,463	96,356	3/ 68,000
Rumania	135,300	55,537	119,070	3/ 77,000
Yugoslavia	98,789	53,444	96,584	3/ 73,000
Europe, 8 countries	1,028,428	1,042,441	1,185,079	2/3/ 982,000
Morocco	29,783	27,970	28,902	2/ 30,000
Algeria	25,649	29,237	31,985	2/ 30,000
Tunis	13,963	17,453	9,186	2/ 14,000
Africa, 3 countries	69,395	74,660	70,073	2/ 74,000
India 4/	345,296	339,621	347,872	350,261
Total 14 countries	2,694,665	2,643,859	2,400,166	2,256,618

Compiled from official sources except as otherwise noted.
1/ Unofficial.
2/ Estimate of the Paris office of the Bureau of Agricultural Economics.
3/ Estimate of the Belgrade office of the Bureau of Agricultural Economics.
4/ May estimate.

and Nebraska on the west to Indiana on the east. The crop is an almost complete failure in the important producing States of North Dakota, South Dakota, and Nebraska.

World Surpluses and Trade

The surplus of wheat available for export or carry-over as of June 1 in the four principal exporting countries is now estimated at 694,000,000 bushels for this year, compared with 774,000,000 last year. If to the surplus of these four countries are added quantities afloat and United Kingdom port stocks, the totals amount to 739,000,000 for 1934 and 827,000,000 for a year ago.

Shipments of wheat including flour from the principal exporting countries were 9,800,000 bushels for the week ended June 9 as compared with 7,234,000 for 1 week earlier and 9,412,000 for 2 weeks earlier. Shipments from July 1 to June 9 this year were 464,366,000 bushels compared with 560,036,000 a year ago.

Table 3.- Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, June 1, 1931-1934

Position	June 1			
	1931	1932	1933	1934
	Million bushels	Million bushels	Million bushels	Million bushels
United States:				
Domestic wheat	326	396	394	265
Canadian wheat	6	6	5	5
Canada:				
Domestic wheat	176	170	241	216
United States wheat	8	17	5	0
Argentina	74	45	70	115
Australia	76	59	59	93
Total	666	693	774	694
United Kingdom port stocks:				
Wheat	6	10	12	(14
Flour (as wheat)	1	1	1	(
Afloat for United Kingdom	15	17	20	
Afloat for Continent	36	28	11	(31
Afloat for orders	10	18	9	(
Total	68	74	53	45
Grand total	734	767	827	739

Prices

Wheat prices in the United States have risen greatly during the last month resulting from changes in crop prospects due to the drought. Closing prices of July futures at Chicago rose from 75-3/8 cents on April 24, to a high of 102-3/4 on June 1, since which time they have fluctuated around about $1.00 per bushel. The weekly weighted average cash prices rose in all six markets as shown in the accompanying table

The severity of the drought conditions was especially reflected in the price at Kansas City and Minneapolis. No. 2 Hard Winter at Kansas City averaged 14 cents higher and No. 1 Dark Northern at Minneapolis 16 cents higher for the week ended June 2 than for that of May 19.

Farm prices averaged 71 cents per bushel in March, declined to under 69 cents in April, and then turned upward, passing over 69 cents by the middle of May. The recent advances in market prices suggest that farm prices in June may average about 80 cents per bushel.

Domestic wheat prices are likely to continue considerably above an export basis. The spread between Chicago and Liverpool closing July futures prices has widened during the past month. Compared with a spread of 17, 21 and 22 cents on May 12, 17 and 26, the difference in prices between these two markets widened to about 25 cents for the last 3 weeks. Shortages of hard spring and durum wheats may result in prices high enough to invite importations from Canada.

World wheat prices are likely to be at a level somewhat above that of the past season due to crop prospects being generally below those of a year ago. Liverpool prices have reflected a marked improvement during the past month. Closing prices at 67-3/4 cents on May 14 remained relatively level until May 23 when prices started up from 68-1/4 to a high of 75-1/8 cents on June 1. While closing prices have fluctuated between 69-3/4 on June 5 and 72-3/8 on June 1, present prices (69-7/8 on June 14) are still above those of a month earlier. Liverpool prices have been converted at current rates of exchange. Winnipeg closing futures prices improved from a low of 66 cents on May 1 to 71 cents May 19, 75 cents May 26, and 79 and 78 cents for June 2 and 9 respectively. Winnipeg (No. 3 Manitoba Northern) prices rose from 61 cents for the week ended May 5 to 73 and 71 cents for the week ended June 2 and 9.

On the Continent c.i.f. import prices rose during May and, except where prices were fixed, domestic prices were materially higher in the second half of May.

Table 4.-Wheat: Closing prices of July futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	77	102	73	96	74	106	59	83	63	75	4/ 47	4/ 55
Low 3/	55	75	49	67	71	72	43	66	49	66	4/ 35	4/ 53
May 19	70	89	64	82	69	90	55	71	60	68	4/ 44	4/ 54
26	75	92	69	84	73	94	58	75	61	70	4/ 46	4/ 54
June 2	72	98	67	91	71	101	57	79	62	73	4/ 45	4/ 55
9	77	99	73	91	74	100	58	78	63	73	4/ 46	4/ 54

1/ Conversions at noon buying rate of exchange. 2/ Prices are of day previous to other prices. 3/ April 1 to date. 4/ June futures.

Table 5.-Wheat: Weighted weekly average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 2/	74	103	72	96	77	110	78	119	82	98	64	83
Low 2/	58	79	54	70	59	81	62	87	60	73	56	69
May 19	74	93	71	82	76	94	73	106	81	86	64	76
26	71	95	68	86	74	98	70	106	78	88	59	76
June 2	74	103	69	96	77	110	72	118	81	98	63	83
9	74	102	71	95	77	106	68	119	76	98	62	82

1/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
2/ April 1 to date.

Table 6.-Wheat: Price per bushel at specified markets, in terms of United States currency, by weeks, March - May, 1934

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/	Paris 6/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Apr. 7	81.5	87.6	62.1	54.2	66.3	61.0	213	232	204
14	80.3	88.2	61.9	54.2	66.5	59.9	212	232	207
21	73.2	81.2	60.4	53.9	64.4	61.0	211	232	205
28	70.4	80.6	60.2	53.8	63.5	60.8	211	233	202
May 5	73.7	83.5	60.9	53.7	63.9	60.6	214	235	200
12	82.9	91.8	64.9	53.8	66.4	63.9	214	235	---
19	82.3	94.2	64.6	53.6	65.9	65.0	214	235	198
26	85.9	97.6	65.5	53.8	66.8	66.0	214	235	196
June 2	95.8	110.0	73.2	54.2	72.3		212	234	
9	94.8	105.7	71.3	54.0	71.4				

Prices are averages of daily prices for weeks ending Saturday except as follow: Great Britain prices of home-grown wheat are averages for the week ending Saturday, Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter. 2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern. 4/ Near futures.
5/ Home-grown wheat in England and Wales. 6/ Domestic.

United States Wheat Supply and Distribution by Regions

In the 1934-35 marketing season the regional aspects of the wheat supply situation promise to be very important. Generally speaking, wheat grown in the United States east of the Rockies moves to the East or the Southeast, and that grown west of the Rockies moves toward the West. East of the Rockies the milling centers, as well as the export ports, are mostly to the East or Southeast of the regions from which they draw their wheat, whereas the reverse is true for the regions west of the Rockies.

Under normal conditions, fairly constant differentials are maintained between prices in the markets east and west of the Rockies because some wheat from both regions is exported to world markets. During 1933-34, however, the principal surplus of wheat was west of the Rockes, and in that region prices tended to fall to an export basis, whereas east of the Rockies prices rose well above an export basis. The resulting disparity of prices between the Pacific Coast and the eastern markets was greatly to the disadvantage of the wheat growers of the Pacific Northwest. In order to restore more nearly normal relationships the North Pacific Emergency Export Association was formed and put into operation.

During 1934-35 the regional wheat supply situation promises to be somewhat similar to that of 1933-34. Supplies of wheat both east and west of the Rockies promise to be smaller, but Pacific Coast supplies do not appear to be small enough to preclude the need either of exportation, or the movement of some of the surplus to eastern markets. In either case, Pacific Coast prices are likely to be below their usual level compared with eastern markets unless some special means are taken to prevent this.

The accompanying Table 7, shows the supply and distribution of wheat for the two regions during the past 5 years, together with preliminary estimates of supplies for 1934-35. Supplies west of the Rockies apparently will be considerably smaller this year than last, and somewhat smaller than in 1931 and 1932. In 1931-32 exports of wheat including flour amounted to approximately 38,000,000 bushels, and in 1932-33 to approximately 9,000,000. At the end of the latter year, however, the carry-over had increased to the largest on record. Exports or shipment to the East of about 20,000,000 bushels is likely to be necessary this year in order to prevent the Pacific Coast carry-over from increasing.

Disappearance of wheat from the Western States has varied greatly in the past 5 years. This is due primarily to the fact that there is a considerable area which may ship wheat either east or west, whereas in the accompanying table an arbitrary division by states has been made. Thus, Montana has been included among the states east of the Rockies, although wheat from western Montana is commonly shipped westward rather than to the East. The dividing line between points which ship to the East and those which ship to the West, changes constantly with the changing relationship between prices at eastern and western markets. When prices at Minneapolis are abnormally high relative to Portland, more of the Montana wheat is shipped east, whereas when Portland and Seattle prices are unusually high relative to Minneapolis an unusually large amount of Montana wheat moves westward. There have been times when Pacific Coast prices were very low relative to those in eastern markets and wheat has been shipped by ocean from Pacific Coast ports to Atlantic and Gulf ports, and when likewise some wheat from the interior regions of Idaho have been shipped by rail to the East.

While these variations in the movement of wheat are primarily responsible for the very wide fluctuations in the disappearance of wheat from the states west of the Rockies, disappearance is, of course, also affected by the usual causes. During the 3 years 1930-31 to 1932-33, when it averaged slightly over 70,000,000 bushels yearly, disappearance was probably larger than what should be considered normal on account of unusually heavy feeding of wheat.

Total supplies of wheat available east of the Rockies promise to be much smaller this year than in any of the past 5 years. The new crop plus the carry-over is indicated to be about 650,000,000 bushels compared with last year's new crop and carry-over of about 775,000,000 bushels. Normal disappearance for the region east of the Rockies is about 570,000,000 bushels. Disappearance during the years 1930-31 to 1932-33 inclusive was unusually high on account of heavy feeding of wheat because of low prices of wheat and of relatively high prices of feed grains. If disappearance east of the Rockies should amount to 570,000,000 bushels this year and there should be no net imports, the carry-over east of the Rockies at the end of the 1934-35 season would amount to only about 70,000,000 bushels. It is to be expected, however, that this year wheat will move eastward from regions which ordinarily ship to the West. This will tend to increase the domestic disappearance of wheat grown in states west of the Rockies and to decrease domestic disappearance of wheat grown east of the Rockies. Then too, there may be some imports for purposes other than milling in bond and export, so that the carry-over east of the Rockies is not likely to be reduced below 100,000,000 bushels.

Table 7.-Wheat, including flour: Supply and distribution by regions, 1929-30 to 1933-34

Item	Year beginning July					
	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
East of Rockies: 1/						
Supply-						
Carry-in	224,742	270,551	291,118	364,687	350,693	(234,000)
Crop	710,501	778,128	841,540	635,295	426,444	(409,000)
Imports	12,956	19,059	12,886	9,382	11,000	(20,000)
Total supply	948,199	1,067,738	1,145,544	1,009,364	788,137	(663,000)
Distribution-						
Exports 2/	109,287	96,815	98,216	32,231	12,500	(11,000)
Disappearance	568,361	679,805	682,641	626,440	(541,637)	(550,000)
Carry-out	270,551	291,118	364,687	350,693	(234,000)	(102,000)
West of Rockies: 3/						
Supply-						
Carry-in	21,984	32,909	34,837	19,877	45,890	(31,000)
Crop	111,679	111,574	90,681	108,781	100,969	(91,000)
Total supply	133,663	144,483	125,518	128,658	148,859	(122,000)
Distribution-						
Exports 2/	43,958	34,660	37,581	9,232	28,500	3/(20,000)
Disappearance	56,796	74,986	68,060	73,536	(87,359)	(75,000)
Carry-out	32,909	34,837	19,877	45,890	(31,000)	(27,000)

1/ Montana, Wyoming, Colorado, New Mexico and states to the east.
2/ Wheat including flour in terms of wheat.
3/ Idaho, Utah, Arizona, Nevada, Washington, Oregon and California.

Prospective Wheat Supply and Utilization, by Classes, for 1934-35

An analysis of the prospective supply and distribution of wheat by classes indicates that the United States will have a shortage of hard red spring and durum wheats, and a surplus of white and hard red winter wheats for the coming season. With both the carry-over and the production of durum extremely small, durum supplies will apparently not be sufficient to meet even a greatly reduced domestic utilization, and considerable amounts may be imported from Canada. In the case of hard red spring wheat, on the other hand, a somewhat restricted domestic utilization, combined with a very small carry-over, would avoid the need of any material amount of importation. Consequently, whether or not there are importations of hard red spring wheat will depend largely upon the way in which the marketing of the 1934 crop is handled and upon prospects of the 1935 crop, as well as upon the final outturn of the 1934 crop. Soft red winter wheat supplies appear likely to be large enough to take care of a moderately large domestic utilization. Hard red winter wheat supplies appear to be ample for probable domestic utilization, together with about 20 percent more than the "normal minimum" carry-over. White wheat supplies appear to be sufficient for probable domestic utilization and a "normal minimum" carry-over, plus a surplus about equal to that carry-over.

The following table shows the preliminary estimates of the prospective supply and utilization of wheat by classes, for the coming year:

Table 8:- Wheat: Prospective supply and utilization by classes, 1934-35

Item	Hard red winter	Soft red winter	Hard red spring	Durum	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Carry-in	103	30	98	3	31	265
Production:						
Winter	206	153			41	400
Spring			(65)	(10)	(25)	(100)
Total domestic supply	309	183	(163)	(13)	(97)	(765)
Domestic utilization	250	170	120	20	65	625
Available for carry-over and export	59	13	43	-7	32	140
"Normal minimum" carry-over	40	15	50	5	15	125
Surplus or deficit	+19	- 2	- 7	-12	+ 17	+ 15
Average utilization 1929-30 to 1933-34	306	177	131	37	67	717

1/ Includes wheat ground into flour for export as well as milling for domestic use and utilization for feed and seed.

Hard red spring wheat production is tenatively placed at 65,000,000 bushels for 1934. This, together with an estimated carry-in of 98,000,000 bushels, results in total supplies of about 163,000,000 bushels, and compares with the average utilization for the years 1929-30 to 1933-34 of 131,000,000 bushels. As shown by Table 9 , hard red spring wheat disappearance during

the 5 years has varied from a low point of 108,000,000 bushels to a high of 164,000,000 bushels. The low disappearance of 108,000,000 bushels occurred in 1931-32, when supplies of hard red spring were about the same as they promise to be in 1934-35. However, in the former year hard red winter wheat supplies were very large, amounting to 666,000,000 bushels, compared with 309,000,000 bushels indicated for 1934-35. Hence, it is not to be expected that hard red winter wheat will be so largely substituted for hard red spring wheat, as was the case in 1931-32. Consequently, hard red spring wheat utilization has been tentatively placed at 120,000,000 bushels, or the same as the apparent utilization for the 1933-34 season. This would leave a total available for carry-out or export of 43,000,000 bushels, which is slightly less than the estimated normal minimum carry-over of 50,000,000 bushels. The deficit of 7,000,000 bushels might be met either by a reduction of the carry-out to an unusually small figure, or by importation of some hard red spring wheat from Canada. It is, of course, also possible that domestic utilization might be reduced to somewhat less than 120,000,000 bushels by substituting more hard red winter wheat.

The durum wheat crop is tentatively placed at only 10,000,000 bushels. This, together with the carry-in of 3,000,000 bushels, would provide a total supply of only 13,000,000 bushels of durum wheat. The average utilization for the years 1929-30 to 1933-34, on the other hand, is 37,000,000 bushels, and the smallest disappearance for any of the past 5 years was 27,000,000 bushels in 1933-34. Although durum wheat utilization may be reduced somewhat below the levels of 1933-34, it seems likely that our macaroni products industry will require about 20,000,000 bushels. Consequently, it would seem reasonable to expect imports of about 10,000,000 bushels of durum wheat from Canada, and a carry-out from the 1934-35 crop of only about 3,000,000 bushels.

Soft red winter wheat production promises to be about 150,000,000 bushels, and this together with the estimated carry-in will provide a total supply of 183,000,000 bushels. The average utilization for the past 5 years amounted to 177,000,000 bushels, the disappearance ranging from a low of 153,000,000 in 1929-30 to a high of 212,000,000 in 1931-32. With supplies totalling only 183,000,000 bushels, it seems likely that domestic utilization may be equal to about 170,000,000 bushels, if no material amount of white wheat is substituted for it, leaving 13,000,000 bushels which is slightly less than the "normal minimum" carry-over. Shipment East of any considerable amount of white wheat from the Pacific Coast, however, would tend to reduce the consumption of and increase the carry-out of soft red winter.

The new crop of hard red winter wheat is indicated to be about 206,000,000 bushels, which together with the carry-over of 103,000,000 will provide a domestic supply of 309,000,000 bushels. As shown by Table 9, the domestic disappearance of hard red winter wheat during the past 5 years has varied from a low level of 259,000,000 bushels in 1933-34 to a high of 359,000,000 in 1931-32. During 3 of these 5 years, feeding of this class of wheat was very heavy. Hard red winter wheat may largely be substituted for both hard red spring and soft red winter wheat. That part of the crop which is of high protein content can be substituted for hard red spring, whereas that part of the crop which is classed as yellow hard and is of lower protein content may be substituted for the soft red winter wheats. However, generally speaking, hard red spring wheat is more desirable for making bread wheat flour, whereas the soft red winter

Table 9.-Wheat: Supply and distribution by classes, 1929-30 to 1933-34

Item	Average 1929-30 to 1933-34	1929-30	1930-31	1931-32	1932-33	1933-34
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
			All wheat			
Stocks, July 1:						
On farms	64	45	60	38	93	82
Country mills and elevators	47	42	60	30	42	62
Commercial	140	96	109	204	168	124
In mills	65	48	59	41	72	107
In transit	14	16	15	12	10	16
New crop	783	822	890	932	744	527
Total supply	1,113	1,069	1,193	1,257	1,129	918
Exports 1/	2/ 62	92	76	97	21	2/ 22
Disappearance 3/	2/ 717	674	792	775	717	2/ 628
Carry out	2/ 334	303	325	385	391	2/ 265
			Hard red winter			
Stocks, July 1:						
On farms	27	11	24	12	52	33
Country mills and elevators	15	10	14	11	19	21
Commercial	73	38	45	105	111	69
In mills	34	23	28	17	42	61
In transit	7	8	7	5	6	9
New crop	348	370	403	516	278	170
Total supply	504	460	521	666	508	363
Exports 1/	2/ 39	54	47	76	17	2/ 1
Disappearance 3/	2/ 306	288	324	359	298	2/ 259
Carry out	2/ 159	118	150	230	193	2/ 103
			Soft red winter			
Stocks, July 1:						
On farms	14	7	11	9	30	12
Country mills and elevators	7	6	8	5	10	8
Commercial	7	4	6	7	17	3
In mills	6	4	6	4	9	9
In transit	1	1	2	1	1	1
New crop	179	167	179	255	149	147
Total supply	216	189	212	281	216	180
Exports 1/	2/ 1	3	2	2	0	2/ 0
Disappearance 3/	2/ 177	153	184	212	183	2/ 150
Carry out	2/ 38	33	26	67	33	2/ 30

Continued -

Table 9.-Wheat: Supply and distribution by classes, 1929-30 to 1933-34 - Contd

Item	Average 1929-30 to 1933-34	1929-30	1930-31	1931-32	1932-33	1933-34
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
			Hard red spring			
Stocks, July 1:						
On farms	14	15	15	10	5	25
Country mills and elevators	11	15	18	5	5	13
Commercial	44	40	43	62	30	45
In mills	18	15	19	14	16	27
In transit	4	5	5	5	2	4
New crop	134	145	161	70	191	104
Total supply	225	235	261	166	249	218
Exports 1/	2/ 1	2	1	0	0	2/ 0
Disappearance 3/	2/ 131	133	164	108	135	2/ 120
Carry out	2/ 93	100	96	58	114	2/ 98
			Durum			
Stocks, July 1:						
On farms	4	7	6	3	1	5
Country mills and elevators	4	6	7	1	1	3
Commercial	13	13	14	23	9	4
In mills	1	1	1	1	1	1
In transit	0	0	0	0	0	0
New crop	39	56	59	21	42	17
Total supply	60	83	87	49	54	30
Exports 1/	2/ 7	15	12	5	2	0
Disappearance 3/	2/ 37	40	47	32	39	2/ 27
Carry out	2/ 16	28	28	12	13	2/ 3
			White			
Stocks, July 1:						
On farms	5	5	4	4	5	7
Country mills and elevators	10	5	13	8	7	17
Commercial	3	1	1	7	1	3
In mills	6	5	5	5	4	9
In transit	2	2	1	1	1	2
New crop	83	84	88	70	84	89
Total supply	109	102	112	95	102	127
Exports 1/	2/ 14	18	14	14	2	2/ 21
Disappearance 3/	2/ 67	60	73	63	62	2/ 75
Carry out	2/ 28	24	25	18	38	2/ 31

1/ Does not include flour.
2/ Preliminary estimate.
3/ Includes wheat ground into flour for export.

is more desirable for making pastry flour. Consequently, the utilization of hard red winter wheat depends considerably upon the supplies of hard red spring and soft red winter wheats. This season, another factor may also be of importance, that is, the amount of white wheat which is shipped from the Pacific Coast region to the East. If there are large shipments of Pacific Coast wheats to points east of the Rockies, this is likely to tend to reduce the consumption of hard red winter wheat east of the Rockies. In view of the supplies of these three other wheats, hard red winter wheat utilization for the 1934-35 crop year is tentatively placed at 250,000,000 bushels. With such a utilization and total supplies amounting to 309,000,000 bushels, there would be left 49,000,000 bushels for carry-over and export, compared with a normal minimum carry-over of 40,000,000 bushels. This however, assumes that only small amounts of Pacific Coast wheats will be shipped to the East.

White wheat supplies promise to total about 97,000,000 bushels for the crop year, including a carry in of 31,000,000 and a new crop of 66,000,000 bushels. Average utilization for the 5 years has been 67,000,000 bushels, but the disappearance has varied from a low of 60,000,000 bushels in 1929-30 to a high of 75,000,000 in 1933-34. In the latter year considerable quantities of white wheat were shipped east of the Rockies, and in addition there was some export of white wheats in the form of flour, which is included in the disappearance, as given by Table 9. Furthermore, during most of the years feeding was unusually large, in view of these facts, and the supplies of other wheats for 1934-35, domestic utilization of white wheat is tentatively placed at 65,000,000 bushels, leaving 32,000,000 bushels available for carry-over and for export. This exceeds the estimated normal minimum carry-over by 17,000,000 bushels.

The continental European wheat market situation during May 1/

Continental European import buying of wheat during May was stimulated by the unfavorable crop prospects both in Europe and in North America. Argentine wheat, the prices of which did not rise as rapidly as North American wheat, was purchased in considerable volume for Holland and Belgium.

Continental European takings of overseas wheat were exceptionally large around the middle of May, but the movement quieted down during the latter part of the month.

Despite the poor crop prospects, continental European imports during July are expected to be smaller than in past years because of the heavy carry-over and the earliness of this years crop which appears to be at least 3 weeks ahead of normal.

1/ Based on a report of Donald F. Christy, Assistant Agricultural Attache, Berlin, Germany, May 31, 1934, supplemented by cable reports and by a report from N. G. Nielsen, Agricultural Attache, Paris, France, June 4, 1934.

Continental port stocks of wheat on May 15, were lower than on April 15, but about the same as a year ago. In view of the heavy takings around the middle of May port stocks at the end of the month will likely show an increase.

Table 10.-Continental European stocks of wheat, April and May, 1933 and 1934

Position	1933		1934	
	Apr.	May	Apr.	May
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Antwerp 1/	2,859	3,332	3,918	3,491
Rotterdam 1/	1,139	1,470	2,205	2,296
Wheat stocks 12 principal continental ports (includes above two ports) 1/	7,113	6,994	8,008	7,110
Berlin (wheat and flour) 2/	1,741	1,933	2,633	2,765
Hamburg (rough estimate) 1/	661	459	404	184
Bremen and Brake 1/	50	83	95	88
German farm stocks 2/	46,260	32,702	37,993	28,733
German "second-hand" stocks (wheat and flour) 2/3/	32,253	29,979	56,342	4/54,424
Swedish mill stocks of wheat 2/	2,406	2,782	3,587	
Total	94,482	79,734	115,185	99,091

1/ Middle of month. 2/ First of month.
3/ In warehouses and flour mills. These totals are estimated to include 95 percent of all the stocks in warehouses and flour mills, and therefore must contain most of the Berlin, Hamburg, and Bremen-Brake data.
4/ Preliminary

France

Bread wheat - There is little to be said about the trend of the domestic bread wheat marketing during the latter part of April and during May. Offers from growers continued to be very pressing, while millers continue to buy from hand to mouth only. Complaints about fraudulent transactions below the fixed minimum price become more frequent and refer even to agricultural cooperatives that sell wheat stored with government subsidy. Toward the end of May a number of mills have actually closed down, that is to say, they suspended milling operations as well as wheat purchases. Also one association of grain dealers has decided to suspend all purchases and sales of wheat. It is hoped to bring about by this attitude a quick decision of the government regarding modifications of the law on the defense of the wheat market. Millers intend to resume milling when their flour stocks are exhausted and have proposed a scheme for supplying the population with flour up to July 15 under direction of the Prefects of the provinces. At all events, they do not want to take the blame for an eventual increase of bread prices, which in their opinion is inevitable under the regulations of the law on the defense of the wheat market.

The foreign bread wheat market for milling in bond continued to be dead during the latter part of April and during May. Export millers claim that the present regulations regarding the characteristics of the wheat products to be reexported involve losses which they are not capable of bearing as a result of the low flour prices paid on their usual export markets.

Durum Wheat - During the period under review (latter part of April and all of May) interest in foreign durum wheats was restricted, due to the condition of the market for semolina and by-products on which the demand is said to have slackened considerably. Furthermore, semolina millers seem to wait for more definite information on crop prospects before going in for speculative purchases.

For the season the French market for North African durum wheat was also without animation. Early in May, Algerian growers, scared by the absence of the French demand, asked the Government to authorize a durum wheat carry-over into the next season to be bought at a fixed price. There is little hope that this will be granted.

Italy

Domestic Wheat - During the second half of April, and the first week of May, the bread wheat market was calm with small transactions and weakening prices. Millers buying during the first 2 weeks of April brought about a firm tone of the market. Later, however, they held back. This was the case chiefly in northern Italy, while in southern Italy, where bread wheat is scarce, the market showed a better tone. In the second week of May interest revived especially in bread wheats of current quality, prices started to rise by a few points and the volume of transactions became larger.

The tone of the durum wheat market was firm during the period under review, although in April transactions were not large. The firm tone of the market was due to the fact that growers in Southern Italy held back with offers despite a good demand.

Foreign Wheat - As far as can be ascertained transactions in foreign wheats were unimportant during the second half of April and the first 2 weeks of May. It is said however, that comparatively large quantities of Plata bread wheat are being bought in southern Italy, which is given preference on account of its particularly low price. Also some Australian bread wheat has been taken.

Spain

During the last 2 weeks of April the tone of the market was firm but there was no real animation. The demand absorbed readily all the wheat offered, but offers were not abundant. During May, i.e., up to the 27th, the firm tone of the market continued. It seems that the declaration of the Ministry of Agriculture repeatedly discussed in the press to the effect that importation of wheat would not be permitted, has caused millers to purchase comparatively large quantities. At Valladolid prices advanced from about 53.50 pesetas ($2.00 per bushel at current exchange on May 1) per metric quintal at the beginning of May to around 55($2.04 per bushel at current

exchange on May 31) toward the end of May, the fixed minimum price for May being 53 pesetas. ($1.98 per bushel at current exchange during May).

Opinions regarding this carry-over are rather confliciting in Spain. Those connected with the import trade and milling industry claim that Spain will have no carry-over at all, but will have to import. On the other hand contracts connected with agriculture are convinced that there is enough wheat in store to cover the consumptive needs of the country even in the event that the 1934 crop is late. Personal observation has led to the belief that there is enough wheat to carry through until new crop wheat comes on the market, and that there will even be a few million bushels left to be carried over into 1934-35. Considering the very good prospects for the 1934 crop which might largely exceed domestic requirements, one might suppose that the Spanish Government will hesitate to swell the 1934-35 surplus by allowing importation and thus bring about an increased carry-over in the coming season.

Germany

Trading in wheat and wheat flour on the German markets during May was mostly quiet, largely because of the newly announced regulations governing the flour market. Toward the end of the month trading became somewhat more active, probably in connection with the numerous reports on serious drought damage in North America as well as in German grain growing regions. German import buying of foreign wheat remained of fair volume during May and was approximately on the same level as during the previous 2 months. Again, the best Manitoba wheat constituted by far the bulk of the German purchases despite the fact that, during the first half of May, as a result of the sharply advancing North-American prices, Argentine wheat was very cheap relative to Canadian.

Exports of German wheat were extremely limited during May even though world market prices were rising. The small offers of German wheat for export may have some connection with the rumored acquisition of additional quantities of domestic wheat by the Reich Office, the March acquisition of which would account for the unusually large decrease in wheat stocks during that month. According to a late cable report, Germany has prohibited the exportation of wheat and wheat flour, effective June 15. This action is believed to be due to foreign exchange shortage.

Table 11.- Germany: Imports and exports, wheat and wheat flour, grain equivalent, 1931-32 to 1933-34

Month	Imports			Exports			Net imports (+) or imports (-)		
	1931-32	1932-33	1933-34	1931-32	1932-33	1933-34	1931-32	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Aug.	1,800	3,631	2,276	57	1,482	1,981	+1,743	+2,149	+295
Sept.	2,516	2,727	2,198	3,077	5,120	3,987	-561	-2,393	-1,789
Oct.	2,433	3,024	2,724	2,810	4,631	3,963	-377	-1,607	-1,239
Nov.	2,493	2,513	2,671	2,680	3,247	4,838	-187	-734	-2,167
Dec.	2,992	2,753	2,373	1,930	1,982	4,476	+1,062	+771	-2,103
Jan.	2,686	1,994	1,804	1,074	3,413	2,634	+1,612	-1,419	-830
Feb.	2,682	1,731	2,397	266	2,228	1,958	+2,416	-497	+439
Mar.	1,611	2,237	2,213	182	902	1,928	+1,429	+1,335	+285
Apr.	1,537	1,819	1,775	199	980	1,983	+1,338	+839	-208
Aug-Apr.	20,750	22,429	20,431	12,275	23,985	27,748	+8,475	-1,556	-7,317

Wheat stocks in Germany, both first and second-hand, show a much smaller decline during April than was reported for March. First-hand stocks of winter wheat during April declined only by 7,349,000 bushels, which is much less than the usual monthly requirements of flour mills. The decline is, in part, doubtless explained by the excessive flour mill purchases during March. Second-hand stocks of wheat for the first time in many months declined during April. They are, however, still much above last year. All wheat stocks taken together showed a reduction of about 9,550,000 bushels during April whereas the reduction in March was 23,880,000 bushels. As already indicated, it is probable that the huge March decline was partly the result of larger purchases by the Reich Office of Grain for the "national reserve". This explanation, of course, assumes that stocks of the Reich Office would not be included in the statistics.

On the 1st of May, the May flour mill contingents were announced by the "Economic Union of the Rye and Wheat Mills". Each mill was allowed a contingent equal to the March contingent. As previously stipulated, the May contingent was to be included in the final contingent for the year ending August 31, 1934. The final regulation on the flour market and the final contingenting of the flour mills was announced at the beginning of the month. The contingenting of production of the flour mill industry has been brought to a conclusion by the announcement of the so-called "basic contingents". These have been set as follows: - Flour mills with a daily capacity of up to 22 barrels have a basic contingent equal to their average output during the years 1927 to 1932. This basic contingent is also the so-called "processing" contingent in the case of these smaller mills. The basic contingent of flour mills with a daily capacity of more than 22 barrels and less than 225 barrels is their average output during the years 1927 to 1932, with the provision that, if the output during 1932 was higher than this average, the 1932 output shall be fixed as the basic contingent which in no case, however, may be more

than 125 percent of the average output in 1927 to 1932. Finally, the basic contingent of flour mills with a daily capacity of more than 225 barrels is the average output during 1927 to 1932, with the important provision, however, that if this average is higher than the output in 1932 alone, the contingents are reduced by a progressive percentage based upon the excess of the 1927-1932 average output over the 1932 output. Thus, where the 1927-1932 average daily production of flour mills with a daily capacity of more than 225 but less than 900 barrels exceeded the average daily production during 1932, this excess in the future must be reduced by 15 percent. The excess of average production during 1927-1932 over the average for 1932 for mills of over 4,500 barrels a day must be reduced by 60 percent.

Another important stipulation is that the basic contingents of all mills with a daily capacity in excess of 22 barrels will be reduced generally by 5 percent for the formation of a so-called "hardship fund". This fund is apparently to be used for the distribution of additional contingents to such of the smaller flour mills as might reasonably claim an increase in their quotas.

It would seem from these measures that the German authorities clearly want to improve the position of the small and medium size enterprises at the expense of the larger mills.

It should also be noted that in the case of the smallest class of mills the basic contingent has also been declared the processing contingent. For the other classes of flour mills the above mentioned announcement of a special processing contingent for the month of May applies.

Beginning with May 1, 1934, flour mills are permitted to produce only certain specified flour qualities which are based on ash content. From now on, only seven qualities of wheat flour, five qualities of rye flour and three grades of wheat grits are permitted. Wheat flour may be produced from purely domestic wheat, from domestic wheat with an admixture of 15 percent of foreign wheat, or from domestic wheat with an admixture of 30 percent of foreign wheat. The basic wheat flour type is to have an ash content of .79 to .82, which corresponds to an extraction of from 41 to 70 percent. This quality from now on will be the only one quoted on the wholesale market (Berlin).

For the other qualities certain fixed "ons" and "offs" have been announced by the Reichsnährstand. The basic quotation, however, is left free to adjust itself to varying market factors. These quotations are to be ascertained by a special committee which in its decisions is obligated to take into account the prices which it is estimated would prevail under normal business conditions. Flour mill sales may only be effected at the announced committee quotations. Nevertheless, a change or variation in the prices at which transactions are concluded, is possible. First, because the price committee may raise the price if it feels that ordinary market conditions would justify an increase in the quotation. Second, because flour mills are permitted to sell below the wholesale market quotation by from RM.-.20 to 1. -- per 100 kilograms 6.7 to 33.5 cents per barrel (converted at exchange on June 6) in the case of wheat flour. If such underselling occurs

in a general manner, the price committee is to take account of this in its subsequent wholesale market quotation, on the basis of which subsequent flour sales must be effected.

Holland and Belgium

Rising world market prices for wheat, especially North-American descriptions, were distinctly reflected on the Rotterdam futures market and stimulated import business during May to a considerable extent. Especially toward the middle of the month large quantities of wheat, especially Plates, were acquired by both Dutch and Belgian flour mills and merchants so that a certain reaction took place during the second half of the month.

At the beginning of May the Dutch Government sold their German wheat in the domestic market and did not offer it outside the country. Similarly no Dutch wheat was offered for export. Second-hand Hungarian wheat still played an important role on the Rotterdam market.

Czechoslovakia

While during the first half of the month excessive offerings and a very unsatisfactory demand for flour and wheat forced the market supporting agencies into repeated interventions, the second half of the month showed an improvement, as a result of increased buying interest as well as reduced selling incentive. The outlook for a much reduced wheat crop also in Czechoslovakia was the principal strengthening factor. Early in May, stocks of the market intervention agencies were estimated to have amounted to 2,388,000 bushels of wheat and 7,874,000 bushels of rye.

Austria

Prices during May showed a rising tendency as a result of the shortage of domestic wheat, drought in southeastern European countries and generally improved world market quotations. Flour and wheat business within Austria remained rather limited, but a fair influx of foreign, mostly Hungarian, wheat was reported during the month. Recently the Austrian Wheat Buying Association, which is the buying central of the big flour mills, concluded an agreement with Hungarian exporters relative to the purchase by Austria of 735,000 bushels of wheat which are to be shipped to Austria in May and June, under the provisions of the clearing agreement existing between Austria and Hungary.

As already intimated in our last report, the recently concluded economic treaties between Austria, Italy and Hungary, which were signed in May, provide for the annual purchase by Austria of 8,084,000 bushels of Hungarian wheat against concessions on the part of Hungary for Austrian industrial exports. The 1933-34 Austrian wheat import deficit is now estimated at 10,000,000 bushels - a figure which shows that even in the case of considerably increased import needs, from 50 percent to 80 percent of the Austrian 1934-35 imports will be covered by Hungary. Under Italy's leadership, as shown in those treaties, the application of reciprocal and preferential agreements between neighboring countries is making rapid headway.

As a result of the fact that the Austrian rye crop of 1933 was overestimated by about 8,000,000 bushels, the Austrian Government passed a law which authorized the Ministers of Finance and Agriculture to vary (reduce) the rye import tariff by an amount of not more than 26 cents per bushel (converted at current rates) in order to prevent a rise in the bread price. This authorization is valid up to the end of June.

Table 12.- Wheat, including flour: Movement from principal exporting countries, 1930-31 to 1933-34

Country	Exports as given by official sources						
	Total			July 1 to date shown			Date
	1930-31	1931-32	1932-33	1931-32	1932-33	1933-34	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	131,475	135,797	41,211	118,880	37,982	32,862	Apr.30
Canada	267,365	139,563	267,342	163,515	223,886	156,953	Apr.30
Argentina	120,638	144,920	120,272	136,001	106,298	128,378	May 31
Australia	143,296	155,451	148,060	73,972	68,679	51,766	Jan.31
Russia	111,780	71,829	19,183	71,320	18,828	32,135	Mar.31
Hungary	18,425	18,064	7,010	15,264	5,435	23,574	Mar.31
Yugoslavia	5,332	15,369	1,162	12,199	1,130	434	Feb.28
Rumania	16,072	37,481	186	34,748	174	242	Feb.28
Bulgaria	5,041	11,795	3,144	6,521	2,181	2,879	Dec.31
British India (L & S)	10,197	1/2,913	1/ 871	1/2,268	1/ 666	1/ 496	Feb.28
Total	829,621	793,182	608,441	634,688	465,259	429,719	

	Shipments as given by trade sources						
	Total		Week ended			July 1 - June 9	
	1931-32	1932-33	May 26	June 2	June 9	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	333,638	298,504	4,384	3,256	3,155	285,024	208,723
Canada, 4 markets 3/	206,258	289,257	4,904	6,397	5,569	274,003	172,624
United States	135,797	41,211	60	52	107	40,144	35,401
Argentina	144,576	115,412	3,340	2,424	5,261	106,764	139,661
Australia	161,288	153,400	1,400	1,410	1,320	149,136	83,934
Russia 4/	71,664	17,408	0	0	0	17,408	26,656
Danube and Bulgaria 4/	39,280	1,704	288	144	64	1,704	15,392
British India	5/2,913	5/ 871	0	0	0	0	0
Total 6/	753,359	587,299	9,412	7,234	9,800	560,036	464,366
Total European shipments 2/	597,976	448,672	7,272		7/	412,560	7/ 361,064
Total ex-European shipments 2/	194,464	164,256	2,712		7/	153,136	7/ 114,136

1/ Sea trade only. 2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only. 5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To May 26.

Table 13.-Wheat, including flour: Shipments from principal exporting regions, specified dates, 1932-33 and 1933-34

Date	Argentina		Australia		Danube		North America	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 2 - July 29	3,264	14,140	7,672	8,728	208	0	22,896	14,296
July 30 - Sept. 2	3,712	16,464	5,816	8,904	0	0	26,344	20,568
Sept. 3 - Sept.30	3,368	7,896	6,228	7,548	16	1,008	25,200	17,328
Oct. 1 - Oct. 28	2,876	4,772	6,912	4,012	360	2,832	33,864	21,136
Oct. 29 - Dec. 2	4,220	4,884	9,668	6,488	904	3,424	46,440	26,936
Dec. 3 - Dec. 30	5,852	5,016	8,916	8,064	128	1,848	23,896	14,664
Dec. 31 - Jan. 27	12,228	10,672	22,308	9,288	0	960	20,200	17,240
Jan. 28 - Feb. 24	17,392	15,872	26,832	9,392	0	616	16,768	16,872
Feb. 25 - Mar. 31	19,032	20,404	28,252	8,228	32	272	22,216	18,816
Apr. 1 - Apr. 28	15,400	10,848	11,196	5,376	0	2,320	14,552	14,880
Week ended								
May 5	3,364	2,084	3,968	1,640	0	480	4,984	4,344
12	4,080	1,956	3,896	952	0	880	4,376	4,952
19	2,972	3,628	2,028	1,184	56	256	6,704	5,896
26	3,224	3,340	2,184	1,400	0	288	6,288	4,384
June 2	2,580	2,424	1,920	1,410	0	144	5,320	3,256
9	3,200	5,261	1,340	1,320	0	64	4,976	3,155
Total July 2 - June 9	106,764	129,661	149,136	83,934	1,704	15,392	285,024	208,723

Compiled from Broomhall's Corn Trade News.

Table 14.-United States: Exports of wheat and wheat including flour, by weeks, 1932-33 and 1933-34

Date	Wheat		Wheat flour		Wheat including flour	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 2 - July 29	1,962	21	206	169	2,931	815
July 30 - Sept. 2	3,841	19	306	249	5,279	1,189
Sept. 3 - Sept. 30	1,692	133	202	156	2,642	865
Oct. 1 - Oct. 28	2,030	13	209	121	3,013	581
Oct. 29 - Dec. 2	2,932	932	312	165	4,399	1,707
Dec. 3 - Dec. 30	810	3,393	241	199	1,942	4,328
Dec. 31 - Jan. 27	1,100	2,868	209	210	2,082	3,854
Jan. 28 - Feb. 24	549	2,379	205	189	1,513	3,267
Feb. 25 - Mar. 31	275	3,220	255	234	1,473	4,319
Apr. 2 - Apr. 29	15	4,370	197	202	941	5,319
Week ended						
May 5	4	747	41	78	197	1,114
12	4	421	42	17	201	501
19	4	532	41	45	197	744
26	---	4	42	12	197	60
June 2	5	---	52	11	249	52
9	4	4	81	22	385	107

Compiled from a weekly report of the Bureau of Foreign and Domestic Commerce.

Table 15.- Wheat, including flour: Net imports into European countries, 1931-32 to 1933-34

Country	1931-32	1932-33	Net imports reported July 1 to		1932-33	1933-34
	Million bushels	Million bushels			Million bushels	Million bushels
United Kingdom	245	217	Mar.	31	159	162
Italy	33	13	"	"	10	5
Belgium	48	41	"	"	31	31
France	81	38	"	"	34	16
Netherlands	31	26	Apr.	30	23	20
Germany	22	9	"	"	4	1/- 6
Greece	24	20	Jan.	31	12	8
Irish Free State	20	118	Mar.	31	13	14
Switzerland	21	19	Apr.	30	17	15
Austria	14	13	Mar.	31	9	7
Czechoslovakia	20	7	"	"	3	2/
Denmark	17	12	Apr.	30	10	10
Norway	9	8	"	"	6	6
Finland	4	4	Mar.	31	3	3
Sweden	7	4	Apr.	30	3	2
Poland	1/ - 3	1/-1	Mar.	31	3/	3/
Portugal	2	3	Dec.	31	2	2/
Latvia	1	2/	"	"	2/	0
Estonia	1	2/	Feb.	28	2/	2/
Spain	2	8	Mar.	31	8	3/
Total	599	459			347	293

Division of Statistical and Historical Research. Compiled from official sources.

1/ Net exports.

2/ Less than 500,000 bushels.

3/ Net exports of less than 500,000 bushels.

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July 23, 1934

WORLD WHEAT PROSPECTS

Summary

The world wheat crop outside of Russia and China in the 1934-35 season will probably be about 400,000,000 bushels less than last year according to present indications. Production in the Northern Hemisphere, outside of Russia and China, is now indicated to be about 300,000,000 bushels less than a year ago. The decrease is mainly in the United States and Europe, Canada being expected to have a crop of about 80,000,000 bushels larger than last year. The reduction in the Danube Basin is now indicated to be about 130,000,000 bushels, while the other 21 countries of continental Europe for which estimates are available are expected to produce about 210,000,000 bushels less than in 1933. Increased production is expected in northern Africa, estimates for four countries of which indicate an increase of 9,000,000 bushels over last year. Indicated reductions for Argentina are about 50,000,000 bushels and for Australia about 60,000,000 bushels.

The world wheat carry-over appears to be about 50,000,000 bushels smaller than last year. Stocks in the principal exporting countries are about 80,000,000 bushels smaller, but this is partially offset by increased stocks in European countries. With the indicated reduction in total supplies, world wheat prices may be expected to average at a higher level than during the past season. During the early part of the season changes in prices will depend largely upon the Canadian, European and Russian crop conditions. Later price movements will depend largely upon production in and exports from the Southern Hemisphere.

The total United States crop is now forecast at 484,000,000 bushels and if the carry-over amounts to 265,000,000 bushels the total supply will be

about 749,000,000 bushels. This, compared with a probable domestic utilization of about 625,000,000 bushels, would leave a carry-over at the end of the season of about 125,000,000 bushels if there are no net imports or exports for the year. Hard red winter production is indicated to be 204,000,000 bushels, soft red winter 153,000,000 bushels, hard red spring 57,000,000 bushels, durum 7,000,000 bushels and white wheat 63,000,000 bushels.

Production and Crop Conditions

In Canada the condition of the spring wheat crop improved 4 percent during June, according to the official crop condition report. In the prairie provinces, the betterment in crop condition was not nearly as great as might be expected. While rainfall was fairly heavy and temperatures generally moderate, the grain crops were not able to respond normally after the drought and wind damage which occurred in May. This condition prevailed over wide areas of Manitoba and Saskatchewan and limited sections of Alberta. In northern and eastern Manitoba, east-central and northern Saskatchewan and over most of Alberta, crop prospects improved in June and now range from good to ideal. The July official report gives the condition of the Canadian crop as 82. This suggests a yield of only about 14 to 15 bushels per acre, which would mean a crop of about 350,000,000 bushels. Weather and yield studies, on the other hand, indicate that with normal rainfall and temperature during July a crop of 400,000,000 bushels might be harvested.

In Europe, outside of Russia, present conditions indicate a reduction of about 340,000,000 bushels from last year's record crop. This forecast is based mainly on early unofficial reports and is subject to change. Some reduction is expected in all of the principal wheat producing countries, except Spain, where the crop has been officially estimated at 35,000,000 bushels above a year ago. Official reports place the reduction in Germany at 60,300,000 bushels or 29 percent, in Hungary 36,500,000 bushels or 38 percent, and in Bulgaria 12,000,000 bushels or 21 percent. Other important decreases as indicated by unofficial reports are France 24 percent, Italy 20 percent, Rumania 50 percent, and Yugoslavia 20 percent. In Russia, crop conditions vary widely both in individual fields, and over larger areas. The hot weather is causing rapid ripening of the grains especially in the South where the harvest is in full swing. The grain heads are reported well filled in Crimea and North Caucasus, but shatter easily, so that delay in cutting and harvesting may result in a large loss.

The wheat crops in the North African countries matured under favorable conditions and the estimates of production have been raised during the past month and are now above last year's total.

The total production in the Asiatic countries for which estimates are available is also above the 1933 total. In India, the 1934 preliminary estimate is slightly below the final 1933 estimate but increases are reported in Japan, Chosen, Turkey and Palestine. The table appearing on page 3 shows the estimates of wheat production by countries.

Table 1.-Wheat: Production in specified countries, 1931-32 to 1934-35

Country	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	932,221	744,076	527,978	483,662
Canada	321,325	443,061	269,729	1/ 350,000
Mexico	16,226	9,658	12,122	10,346
Total (3)	1,269,772	1,196,795	809,829	844,008
Europe				
England and Wales	35,896	41,253	58,755	
Scotland	1,792	2,240	3,472	
Northern Ireland	106	121	227	
Irish Free State	781	831	1,983	
Norway	592	749	770	2/ 700
Sweden	17,033	26,500	29,204	2/ 27,700
Denmark	10,053	10,997	11,390	2/ 10,800
Netherlands	6,751	12,837	15,325	15,616
Belgium	13,817	15,376	15,067	2/ 14,300
France	264,117	333,524	362,330	3/ 275,600
Spain	134,427	184,207	138,235	173,612
Luxemburg	406	719	995	1/ 700
Portugal	12,999	23,791	16,013	3/ 21,300
Italy	244,415	276,922	297,633	3/ 238,800
Switzerland	4,045	4,001	4,799	2/ 4,600
Germany	155,546	183,830	205,920	145,614
Austria	11,009	12,193	17,391	2/ 13,900
Czechoslovakia	41,232	53,737	72,896	2/ 45,500
Greece	11,228	17,067	24,696	1/ 33,000
Poland	83,220	49,472	68,342	2/ 49,500
Lithuania	8,335	9,423	8,192	2/ 8,200
Latvia	3,368	5,292	6,725	2/ 6,400
Estonia	1,738	2,085	2,450	2/ 2,500
Finland	1,121	1,483	1,598	2/ 1,500
Malta	277	301	305	1/ 300
Total (21) 4/	1,025,749	1,224,506	1,300,276	1,090,142
Bulgaria	63,831	50,553	58,858	46,517
Hungary	72,550	64,463	96,356	60,663
Rumania	135,300	55,537	119,070	5/ 59,000
Yugoslavia	98,789	53,444	96,584	5/ 77,000
Total (4)	370,470	223,997	370,868	243,180
Total Europe (25) 4/	1,396,219	1,448,503	1,671,144	1,333,322
Africa				
Algeria	25,649	29,237	31,985	3/ 32,700
Morocco	29,783	27,970	28,902	30,828
Tunis	13,963	17,453	9,186	15,800
Egypt	46,073	52,586	39,951	38,580
Total (4)	115,468	127,246	110,024	117,908
Palestine	2,927	1,877	1,633	3,270
Syria and Lebanon	14,209	9,849	12,033	
India	347,424	336,896	352,875	350,261
Japan	30,892	31,336	38,611	43,247
Chosen	8,341	8,576	8,499	9,333

Continued-

Table 1.-Wheat: Production in specified countries, 1931-32 to 1934-35 - Continued

Country	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Turkey	104,946	71,135	80,835	91,858
Total (5) 4/	494,530	449,820	482,453	497,969
Total 37 countries 4/	3,275,989	3,222,364	3,073,450	2,793,207
Argentina	219,696	235,378	1/ 283,000	
Australia	190,612	213,927	174,363	
Union of South Africa	13,713	10,627	10,003	
Total (3)	424,021	459,932	467,366	
Estimated world production excluding Russia and China	3,854,000	3,807,000	3,693,000	
Russia	786,307	744,048	1,018,775	

1/ Unofficial. 2/ Estimated in the Berlin office of the Bureau of Agricultural Economics. 3/ Estimated in the Paris office of the Bureau of Agricultural Economics. 4/ Countries not reporting in 1934 are excluded from the total. 5/ Estimated in the Belgrade office of the Bureau of Agricultural Economics.

Prospective Wheat Supplies and International Trade

World supplies of wheat for the 1934-35 season promise to be below those of last year and there is also a very marked change in the location of supplies available this year compared with last. It appears that as of July 1 total world stocks outside Russia and China may be about 50,000,000 bushels below last year. In the principal exporting countries the surplus available for export and carry-over is about 80,000,000 bushels lower than a year ago, but an increase in the stocks held over from last year in Germany and France will partially counterbalance the decrease in stocks in exporting countries. With present conditions indicating the European crop outside Russia to be 340,000,000 bushels smaller than last year, prospects are that there will be a marked increase in takings of wheat from overseas countries. As supplies of wheat remaining from the 1933-34 crop in the Southern Hemisphere decline, European import requirements will have to be filled with Canadian wheat, pending the time when the new crop supplies are again available from the Southern Hemisphere.

In the lower Danube Basin the crop is now indicated to be about 243,000,000 bushels, compared with 371,000,000 last year. This year's crop is only slightly larger than that of 1932 when total exports from the four Danube Basin countries amounted to only about 11,000,000 bushels. Based on present prospects, it would seem likely that exports from these countries during the 1934-35 season may amount to only about 20,000,000 or 30,000,000 bushels. Reports of drought indicate that Russia is not likely to contribute much, if any, to the wheat supplies of the importing countries of the world. The crop is so very short in the United States that no material net exports can be made. Some white wheat may be exported from the Pacific Northwest, this probably would be about offset by

imports of durum and hard red spring wheat from Canada. Consequently, Canada alone of the Northern Hemisphere countries may be expected to have a large enough crop to contribute much for world trade during the coming season.

Canada will have very large supplies available for export. As of July 1 her surplus from the 1933 crop apparently amounted to about 200,000,000 bushels, of which only about 75,000,000 bushels can be considered a normal carry-over as of August 1, leaving about 125,000,000 bushels of old crop wheat available for export. New crop prospects in Canada are still very uncertain, with condition reports indicating only about 350,000,000 bushels or even less, and available data on weather and yield indicating a crop of 400,000,000 bushels and possibly more. In case the Canadian crop amounts to 400,000,000 bushels, this would mean total supplies as of July 1 of about 600,000,000 bushels compared with the carry-over above mentioned of 75,000,000 and domestic utilization of about 110,000,000 bushels. This would provide a surplus available for export and carry-over of a little over 400,000,000 bushels.

The Southern Hemisphere countries still have an exportable surplus remaining for export and carry-over, and their carry-over requirements are very small. In Argentina there apparently remains about 100,000,000 bushels from the 1933-34 crop, and in Australia about 85,000,000 bushels. Necessary carry-overs in both of these countries as of December 1 and January 1 are small, a carry-over of around 10,000,000 bushels apparently being ample for Australia, and an even smaller amount is ample for Argentina. Consequently, the two countries might well export about 170,000,000 bushels between now and the end of December if the world were to need such exports. The total exportable surplus which may be available from the three countries during the next 6 months may well run in the vicinity of 500,000,000 to 600,000,000 bushels. However, prospects for the new crops of Argentina and Australia which will be harvested in December and January are not very good, and they will not add greatly to the amount of wheat available for world trade during the 6 months January to June 1935.

Recent estimates of the 1934-35 crop from Australia have been running as low as 110,000,000 to 125,000,000 bushels. In Argentina, on the other hand, prospects are better and with average yields, a crop of somewhere in the vicinity of 235,000,000 bushels may result. Domestic utilization in Argentina during 1935 may be about 95,000,000 bushels and in Australia about 50,000,000. Consequently, the new crops of these countries may be expected to add somewhere in the vicinity of about 200,000,000 bushels to the exportable supplies of the world, but by no means all of this will be available for export prior to July 1, 1935. An allowance of at least 50,000,000 bushels should be made for stocks as of July 1 in addition to domestic requirements and the necessary December 1 or January 1 carry-over of these two countries. Supplies which might be exported from July 1, 1934 to July 1, 1935, consequently, may total about 320,000,000 bushels for the two Southern Hemisphere countries. Adding to this the Canadian total of 400,000,000 and an allowance of 25,000,000 bushels for the countries of the lower Danube gives a total of 745,000,000 bushels.

The requirements of the wheat importing countries of the world are still very indefinite, due to uncertainties as to the crops and as to international financial conditions. With prospects now indicating that the crop of the importing countries of Europe may be at least 200,000,000

bushels less than last year, the net imports of Europe may amount to something over 500,000,000 bushels. The very great difficulty which Germany and certain other countries of continental Europe are having in meeting their international balance of payments, however, may tend to reduce somewhat European wheat imports. If shipments to non-European countries should amount to as much as 150,000,000 bushels, this would mean a total world trade in excess of 650,000,000 bushels. Consequently, a reduction of the world carry-over of wheat to about normal proportions would seem almost certain. In the case of Canada, however, should the crop turn out to be as large as indicated by weather conditions, Canada might still have a carry-over somewhat in excess of normal.

World production of rye is much less this year than last, and this situation may be expected to contribute to the import demand for wheat, inasmuch as the two grains are fairly readily substituted in many European countries.

Table 2.-Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, July 1, 1931-1934

Position	July 1			
	1931	1932	1933	1934
	Million bushels	Million bushels	Million bushels	Million bushels
United States:				
Domestic wheat	326	385	390	265
Canadian wheat	5	5	4	10
Canada:				
Domestic wheat	148	153	230	196
United States wheat	15	16	4	0
Argentina	57	36	56	98
Australia	61	47	53	85
Total	612	642	737	654
United Kingdom port stocks:				
Wheat and flour	6	11	13	14
Afloat for United Kingdom	19	16	15	13
Afloat for Continent	18	19	8	10
Afloat for orders	13	10	8	10
Total	56	56	44	47
Grand total	668	698	781	701

Prices

United States wheat prices are likely to average somewhat above the levels of early July during most of the 1934-35 marketing season. Since United States supplies are just about equal to probable domestic utilization plus a normal minimum carry-over, small changes in crop prospects may be expected to result in large changes in United States prices. The prospective methods of disposal of small regional supplies will also have a very important bearing upon domestic prices. Because of the uncertainty of these factors, price fluctuations in the United States are likely to be especially great during the next few months, prices east of the Rockies at times rising to a point where importation from the Argentine or Canada are imminent. Total importations, however, are likely to be very small. Only in 1 year, 1837,

has the United States had a net import of wheat including flour.

Smaller supplies in the Northern Hemisphere will probably result in some further improvement in world prices as the pressure of marketings from the Southern Hemisphere decreases. However, any changes in prospects for the Northern Hemisphere crop during the next few months will affect the price outlook. The final outturn of the Russian crop will be of importance. Present prospects suggest only small, if any, exports from that country. The outturn of the crop in Canada and in the importing countries of Europe will also be of importance. The smaller crops which are being harvested in the importing countries will not, however, result in a correspondingly large increase in their imports, for the demand for foreign wheat is restricted by adverse business conditions and exchange controls in many European countries.

Wheat prices in the United States declined during most of June and the first week of July, but rose following the July 10 crop report which indicated a production of about 15,000,000 bushels smaller than the June report, and a somewhat greater reduction from private estimates issued about July 1. During the past month prices at Liverpool and other world markets have shown very much smaller changes and are at levels much below wheat prices in the United States.

The United States average farm price of wheat as of June 15 was 78.9 cents per bushel compared with 69.5 cents a month earlier, and 58.7 cents in June 1933. Market price changes since mid-June suggest that the July 15 average farm price may be slightly lower than that prevailing in mid-June.

The decline of market prices of wheat in the United States during June was shared by all classes. At Kansas City, No. 2 Hard Winter declined from 95.8 cents for the week ended June 2 to 87.9 for the week ended July 7. During the same period No. 2 Red Winter at St. Louis declined from 90.4 cents to 89.0; No. 1 Dark Northern Spring at Minneapolis from 110.0 to 97.5 cents; and No. 2 Amber Durum from 117.8 to 108.1 cents. Because of changes in some of the grades of wheat, incident to the adoption of the new standards, however, these comparisons are not altogether satisfactory. Prices in foreign markets have been much more stable than in the United States. Thus, at Liverpool July futures rose from an early May level of about 67 cents per bushel to a peak in early June of about 75 cents, while during the same period July futures at Chicago rose from 77 cents to a peak of over 102 cents. The subsequent decline brought Liverpool futures down to about 69 cents per bushel, whereas Chicago futures dropped to a closing level of 87 cents on July 2.

During the first week of July, December futures at Chicago were only about 12 cents per bushel above Liverpool. They seem likely to average somewhat higher relative to Liverpool and if prospects for advancing prices of cash wheat at Liverpool are borne out, this would mean a level of prices in the United States somewhat higher than that which prevailed in early June.

Prices of grain imported on the European Continent and prices on the Rotterdam futures exchange moved in line with developments on the overseas markets, the upturn in the last part of May being followed by a recession during June. Prices of domestic wheat in individual countries, on the other hand, continued firm throughout the month, and in many instances further substantial increases were noted. The prospect of smaller feed crops were also an important factor on the market for bread grain, particularly in Germany.

In the Danube basin, as a result of the continued drought, prices increased considerably until the later part of May, when general rains saved the crop. Accordingly, prices declined somewhat, but by the middle of June they were still considerably in excess of the prices paid during April.

Table 3.-Wheat: Closing prices of September futures 1/

Date	Chicago		Kansas City		Minneapolis		Winnipeg 2/		Liverpool 2/		Buenos Aires 3/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 4/	102	104	97	96	100	104	81	85	82	80	5/ 62	5/ 58
Low 4/	56	75	49	68	53	73	44	67	51	69	5/ 46	5/ 54
June 16	76	95	70	87	74	96	60	80	64	76	5/ 48	5/ 55
23	85	93	82	86	83	94	65	81	68	76	5/ 50	5/ 55
30	97	91	93	84	94	92	69	79	72	75	5/ 50	5/ 55
July 7	102	90	96	84	100	91	81	79	81	75	5/ 62	5/ 56

1/ October futures for Winnipeg and Liverpool. 2/ Conversions at noon buying rate of exchange. 3/ Prices are of day previous to other prices. 4/ April 1 to date. 5/ August futures; the high and low from May 9 to date.

Table 4.-Wheat: Weighted weekly average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dr.N.Spring Minneapolis		No. 2 Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 2/	99	103	98	96	105	110	103	119	99	98	77	85
Low 2/	58	79	54	70	59	81	62	87	60	73	56	69
June 16	74	101	72	93	77	105	70	114	75	95	60	81
23	77	93	75	87	81	101	73	111	77	90	62	78
30	93	90	91	88	97	99	91	105	93	90	73	76
July 7	99	89	98	88	105	97	103	108	99	89	77	74

1/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
2/ April 1 to date.

Table 5.-Wheat: Price per bushel at specified markets, in terms of United States currency, by weeks, May - July 1934

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/	Paris 6/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
May 5	73.7	83.5	60.9	53.7	63.9	60.6	214	235	200
12	82.9	91.8	64.9	53.8	66.4	63.9	214	235	---
19	82.3	94.2	64.6	53.6	65.9	65.0	214	235	198
26	85.9	97.6	65.5	53.6	66.8	67.1	214	235	196
June 2	95.8	110.0	73.2	54.2	72.3	70.2	212	234	---
9	94.8	105.7	71.3	54.0	71.4	72.2	206	237	233
16	92.8	105.3	71.3	54.4	71.0	73.3	208	237	239
23	87.4	100.9	71.8	53.7	70.6	74.2	208	237	239
30	88.1	99.4	71.4	53.4	70.2		215	237	
July 7	87.9	97.5	71.5	53.7	70.4				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter.
2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern.
4/ Near futures.
5/ Home-grown wheat in England and Wales.
6/ Domestic.

United States Wheat Supply and Distribution by Regions

An analysis of the prospective supply and distribution of wheat by classes indicates that there will be a shortage of hard red spring and durum wheats and a surplus of hard red winter and white wheats.

Hard red winter wheat can be fairly well substituted for hard red spring, but the substitution of other wheats for durum is less satisfactory. With both the carry-over and production of durum extremely small, durum supplies apparently will not be sufficient to meet even a very greatly reduced domestic utilization and considerable amounts may be imported from Canada. In the case of hard red spring wheat, on the other hand, a somewhat restricted consumption combined with a very small carry-over will avoid the need of large importations. Only in the case of white wheat does it seem likely that there will be a burdensome surplus. To some extent the surplus of white wheat in the Pacific Northwest may be substituted for other wheats east of the Rockies. However, white wheat is most readily substituted for soft red winter and soft red winter supplies appear to be large enough to take care of a moderately large domestic utilization. Consequently, some white wheat may be exported from the Pacific Northwest.

Preliminary figures on farm and commercial stocks became available early in the month. These have been distributed by wheat classes stored in the various regions and are shown in Table 6 . It is expected that there will be some reduction in other stocks as originally estimated. Table 7 indicates the estimated carry-over and production figures for the three important Pacific Northwest States, Washington, Oregon and Idaho.

Table 6.-Wheat: Estimated regional farm and commercial stocks, by classes, July 1, 1934 1/

Item	Winter wheat		Spring wheat		All white	Total all wheat
	Hard red	Soft red	Hard red	Durum		
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Western area 2/:						
Farm stocks	1,098	234	496	---	3,968	5,796
Commercial	996	80	374	---	3,101	4,551
Total	2,094	314	870	---	7,069	10,347
Spring wheat area 3/						
Farm stocks	1,564	---	13,153	2,203	171	17,091
Commercial	290	799	24,776	2,594	---	28,459
Total	1,854	799	37,929	4,797	171	45,550
Hard winter wheat area 4/						
Farm stocks	19,734	1,024	1,105	214	58	22,135
Commercial	10,693	---	---	---	---	10,693
Total	30,427	1,024	1,105	214	58	32,828
Northern soft winter wheat area 5/						
Farm stocks	1,854	11,121	355	---	1,844	15,174
Commercial	29,028	4,134	2,346	835	116	36,459
Total	30,882	15,255	2,701	835	1,960	51,633
Southern soft winter wheat area 6/						
Farm stocks	---	793	---	---	6	799
Commercial	30	228	---	---	128	386
Total	30	1,021	---	---	134	1,185
United States						
Farm stocks	24,250	13,172	15,109	2,417	6,047	60,995
Commercial	41,037	5,241	27,496	3,429	3,345	80,548
Total	65,287	18,413	42,605	5,846	9,392	141,543

1/ Country mill and elevator stocks, merchant mills, mill elevators and in transit figures available next month.
2/ Washington, Oregon, Idaho, California, Arizona, Utah and Nevada.
3/ Montana, North Dakota, South Dakota and Minnesota.
4/ Nebraska, Kansas, Texas, Oklahoma, Wyoming, Colorado and New Mexico.
5/ Wisconsin, Iowa and Missouri and north of the Ohio and Potomac Rivers.
6/ East of the Mississippi River and South of the Ohio River.

Table 7.-Wheat: Estimated supply in Washington, Oregon and Idaho, by classes, 1929-30 to 1934-35

Item	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
White wheat						
Carry-over July 1 ..	9.4	17.4	18.3	9.9	25.2	13.1
Production 1934	58.0	59.4	44.8	55.2	61.6	42.0
Total supply	67.4	76.8	63.1	65.1	86.8	55.1
Hard red winter						
Carry-over July 1 ..	4.1	6.6	6.8	4.8	10.3	2.7
Production 1934	24.5	22.8	22.5	23.7	11.3	17.8
Total supply	28.6	29.4	29.3	28.5	21.6	20.5
Hard red spring						
Carry-over July 1 ..	2.9	2.3	3.6	0.5	2.3	1.6
Production 1934	3.5	3.9	2.1	3.9	6.1	2.8
Total supply	6.4	6.2	5.7	4.4	8.4	4.4
Soft red winter						
Carry-over July 1 ..	1.7	2.6	2.3	2.0	4.0	0.7
Production 1934	8.5	7.1	8.4	8.3	4.1	6.6
Total supply	10.2	9.7	10.7	10.3	8.1	7.3
Total wheat						
Carry-over July 1 ..	18.1	28.9	31.0	17.2	41.8	18.1
Production 1934	94.5	93.2	77.8	91.1	83.1	69.2
Total supply	112.6	122.1	108.8	108.3	124.9	87.3

The Continental European Wheat Market Situation During June 1/

The buying activity on the Continent during May, which had been prompted by reports of crop deterioration throughout the Northern Hemisphere, eased off during June as a result of more favorable reports on the crop outturn in North America. Trading in the individual continental countries, however, most of which are more or less removed from the direct influence of world markets, continued of fair volume during June. The trade was stimulated by local crop deterioration of both bread and feed grains.

Continental markets during June reacted closely to crop developments, particularly those on the Continent. Prices during the latter part of the month were strengthened by the German prohibition on exports of wheat, wheat flour and oats effective June 15, as well as by Russian purchases of Australian and Plates. Both of these factors were regarded as admissions of reduced crop prospects, movements of stocks on the Continent being largely disregarded. Continental port stocks were lower on June 15 than on May 15, and there was a large decline in German farm stocks of rye during May as a result of the increased feeding of this grain to make up for the shortage of other feeds.

1/ Based on reports of Donald F. Christy, Assistant Agricultural Attache, Berlin, Germany, June 28, 1934, of N. I. Nielsen, Agricultural Attache, Paris, France, June 28, 1934, and of Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia, June 21, 1934. All price quotations have been converted at current exchange rates.

France

Bread wheat - The domestic bread wheat market continued to be more or less dead. Offers continued to be pressing, while purchases by the mills at the minimum price of $2.33 per bushel remained restricted to a minimum. The large mills have been working only a few days a week because a number of bills having to do with changing the law on the defense of the wheat market have been under discussion in Parliament.

Durum wheat - As far as can be ascertained the market for durum wheat also continued inactive during June. Toward the beginning of the month some C. W. Amber delivery contracts were even canceled. Around June 10 Marseille bought some Chilean Candeal at 83 cents per bushel. The French market for North African durum wheat was likewise inactive. It is reported that there were buyers around the middle of June for Algerian durum wheat at from $1.89 to $1.98 per bushel, but no transaction was made, the price asked being $2.07. The first new crop quotation appears to be for Tunisian Colon (60.6 to 62.2 pounds per bushel) July delivery, at $1.94 per bushel, which is said to have been actually paid by Marseille semolina millers.

Italy

Domestic wheat - During the second half of May the market was rather calm, buyers, and sellers as well, not wanting to make transactions, because at that time the decree prescribing the compulsory utilization of the wheat stored by the agricultural consortia was imminent. This decree, published on May 30, prescribed 70 percent for many regions of northern Italy and 40 percent for the rest of Italy which caused the market for wheat held by others than the consortia to remain calm in northern Italy during the first half of June while it was more active in central and southern Italy, where prices showed slight increases in many instances. There is no comment available regarding the tone of the durum wheat market during the period under review. As far as Sicily is concerned, it has been mostly calm and prices showed practically no variation.

Foreign wheat - Interest in foreign wheats is reported to have been very limited during the period under review.

Holland and Belgium

As a result of the rising tendency of grain prices at the beginning of the month, business was active in both Holland and Belgium and purchases largely of a speculative character, while the legitimate demand of flour mills remained rather conservative. Smaller business was recorded for the second and third decades of the month, as a result of the setback in overseas quotations. For the month as a whole, Belgium took fair quantities of Manitobas and Plates while Holland, in addition to wheats from these two provinces, included also Hungarian and Australian wheat. Some Dutch wheat was sold to England.

At the beginning of June, The Dutch Grain Central announced that beginning with June 4, 1934, the importations of grain from Hungary, Rumania, Yugoslavia, Bulgaria and Poland would be possible only against compensating exports to these countries of Dutch or Dutch East Indian products. This announcement of the Grain Central virtually amounts to an import prohibition since the countries mentioned do not have any significant requirements of products from Holland and the Dutch East Indies.

Germany

Grain markets during June were strongly influenced by crop prospects, particularly those within the country. Because of the strong desire to attain self-sufficiency in the production of food and feedstuffs and also because of the lack of foreign exchange it is believed that the Government will find it extremely difficult to adjust itself to the reduced grain crop expected this year. Such an adjustment might well include a reduction in import tariffs and thus increase imports of foreign grains.

The most serious part of the grain situation is the prospective shortage of feed supplies, which even now is making itself felt, and which is expected to produce important repercussions on the market of bread grains. Feed grain prices are now from 10 to 13 percent above those for bread grain, which is a very unusual situation.

As a result of both domestic and overseas' developments, purchases by the trade and flour mills during June at times assumed considerable volume, particularly in the Rhine country and in the larger cities. Import purchases also tended to increase, but were held back by the higher prices asked for export certificates 1/ and particularly by the restricted amount of foreign currency available. The recent sharp rise in the price of export certificates which rose from $1.66 to $1.75 per bushel (current exchange) during the first 3 weeks in June is attributed mainly to the order issued by the Reich Grain Office on June 15, prohibiting all exports of wheat and wheat flour and other milling products. This, of course, means that no new certificates will be available for the importation of wheat. While this regulation may be attributed partly to the desire of the Government to conserve domestic supplies of wheat, the principal reason would appear to be the present scarcity of foreign exchange.

As a result of the Government's actions, the export business in German wheat and wheat flour was confined to the first half of June. Exports of wheat have been mainly to Denmark as German prices were too high for the English market where considerable quantities of French wheat are available.

A decree of May 30, 1934 prolonged the validity of export certificates issued on previous exports of wheat flour and other grains until July 31, 1935. The reason for this action appears to be the desire to spread imports over a longer period of time and to avoid as far as possible imports of grain during the next several weeks. This will also help to ease the foreign exchange situation.

Czechoslovakia

Significant crop deterioration and a growing shortage of feedstuffs in Czechoslovakia brought about a sharp advance in prices of all grains. At the same time, the sale of flour improved and constituted an additional factor in the bull movement of the wheat market. From the beginning to the middle of June wheat advanced as much as 15 percent. It is reported that

1/ Certificates issued prior to February 1, 1934, against the exportation of wheat and wheat flour, and certificates issued since February 1, against the exportation of wheat flour and other milling products, may be used for the importation of corresponding quantities of wheat. Certificates issued against wheat exports since March 8, 1934, may be used for the importation of barley and corn, but not wheat.

offers of bread wheat and bread rye were insignificant so that sales from the stocks of the market supporting agencies were necessary in order to prevent a still greater increase in prices.

On July 1, a "Czechoslovakian grain company" will come into existence and will be given the monopoly privilege of prescribing fixed prices on the domestic market and regulating imports for a period of 3 years. It is planned to monopolize not only wheat, but also rye, oats and corn. The stocks of the present grain syndicate, which at the beginning of the month amounted to 8,451,000 bushels of wheat and 9,055,000 bushels of rye, but in the meantime must have undergone a decline, are to be taken over by the new grain company.

Denmark

Danish grain importers were taken by surprise by the German export prohibition placed on wheat. A large share of Danish wheat imports came from Germany and particularly during recent months the importation of German feed wheat was significant. At the present time, however, considerable stocks of wheat are reported to be at the disposal of the Danish interests. Besides, there is some possibility of acquiring similar soft wheat from France. The German export prohibition, however, did have the effect of raising Copenhagen wheat quotations as the wheat to be substituted for the German wheat will have to be acquired from a territory less favorably situated in regard to freight charges.

Austria

Austrian grain markets were very firm during June and prices rose considerably. Offerings of domestic and Hungarian wheat were practically nil, so that upon the suggestion of the flour mills and the grain trade the Austrian Government has granted a permit for importation of Yugoslavian wheat at the preferential tariff rate previously accorded only to Hungarian wheat. This permit was given for the month of June, but it is expected that it will be prolonged through July. Increases in wheat prices amounted to 10 percent from the end of May to the middle of June.

Sweden

The bread grain market was reported to be quiet. With an early crop expected, supplies from domestic sources this year will be on the market earlier than usual.

Spain

Since the beginning of June the tone of the Spanish wheat market has changed, prices having gone down to the minimum of $1.97 per bushel, which originally was fixed for April and May only, but which has been made valid also for June. Nominal offers below the minimum price go as far as $1.71 per bushel for the new crop wheat, July delivery. The decrease was strongest during the third week of June. Apparently the weakening of the market was the result of the comparatively good crop prospects. On June 15, the Minister of Agriculture once more confirmed the previous statement that there will be no imports of wheat in 1934-35.

Poland

As a result of the prospect for much reduced grain and feed crops in Poland, the recent tendency of the Polish grain market was upward. Reduced offerings coincided with increased demand so that prices experienced a substantial rise.

Rye Production

The total rye crop of 24 Northern Hemisphere countries is now estimated to be only about 750,000,000 bushels for 1934-35 compared with 1,000,000,000 bushels in 1933. The reduction of 250,000,000 bushels is largely in the crops of the European countries which normally import wheat. Nineteen continental European countries outside of the Danube Basin are estimated to have a crop this year of over 200,000,000 bushels smaller than that of last year. In the four countries of the lower Danube Basin a decrease of almost 30,000,000 bushels is indicated and in Germany a decrease of almost 60,000,000 bushels.

The 1934 rye production in the United States is estimated at 17,194,000 bushels compared with 21,236,000 bushels last year and an average of 35,184,000 bushels during the 5-year period, 1929-1933. The acreage of rye that will be harvested for grain is now estimated at 2,260,000 acres which would be the lowest in 22 years. The yield is estimated at 7.6 bushels per acre, the lowest on record.

No official forecast of the Canadian crop has been issued but the acreage is the lowest reported since 1917. The condition of the crop at the end of June was only 63 percent of average compared with 74 percent on June 30, 1933.

Rye Prices and Market Conditions

Higher rye prices may be expected as a result of reduced production, particularly in those countries not fully removed from the influence of the world markets. The reduced supplies of rye will be seriously felt in the livestock industry where large quantities are used each year as feed. A substantial rise in feed grain prices, generally, has already taken place due to the fact that the prospective supplies are much below average.

According to recent German and Polish press reports a prolongation of the German-Polish rye agreement is being planned, which, if continued is not likely to have any great significance, however, as this year's grain crops in both Poland and Germany are not likely to leave much for export.

Changes in Danube Basin Bread Grain Relief Systems 1/

As a result of past experiences with losses incurred in connection with relief activities and the prospective mediocre 1934 crops, Danubian Governments have changed their previous systems beginning with 1934. In the case of Hungary, the conclusion of favorable commercial treaties with Austria and Italy has made it possible to secure relatively high prices without artificial measures.

1/ From a report from Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia, June 21, 1934. Conversions of foreign daily or monthly average quotations made at current rates of exchange.

Bulgaria

The Bulgarian Government Grain Bureau has been invested with the monopoly of both the domestic and export trade of wheat and rye. Farmers are authorized to use wheat and rye produced by them to the extent of 2.2 pounds per head per day. All other wheat and rye must be delivered to the Government Grain Bureau which pays 94 cents per bushel for wheat weighing 59 pounds and delivered at important centers. Rye weighing 55 pounds per bushel is purchased at 45 cents. The Bureau resells the wheat at $1.32 per bushel f.o.b. loading station and the rye at 78 cents per bushel. Low grade wheat is sold at $1.104 and low grade rye at 65 cents. Beginning with April, the Bureau materially reduced exports of wheat, and began to purchase wheat and rye only for home consumption. Average daily purchases during April, May and the first half of June amounted to about 11,000 bushels, whereas daily sales averaged about 37,000 bushels. The excess of sales over purchases was covered from stocks accumulated by the Bureau, which stocks totaled about 2,719,000 bushels toward the end of May.

Greece

In order to promote domestic wheat production and reduce imports of foreign wheat the Greek Government maintains a semi-official organization which buys wheat from farmers at fixed prices. The price paid in 1933 amounted to $1.60 per bushel. The price for 1934 has not yet been determined. The Government, effective June 15, 1934, is prohibiting the use of more than 25 percent of foreign wheat when making flour.

Hungary

In Hungary, the grain ticket system was discontinued June 30, 1934. Discontinuance was made possible by an agreement between the Austrian-Hungarian-Italian Governments, according to which Italy and Austria have agreed to buy fixed annual quantities of Hungarian wheat at prices considerably above world parity. It is hinted by Hungarian Government officials that these two countries will buy every year about three quarters of the Hungarian wheat export surplus as determined by the London agreement. The minimum price provided for in the agreement amounts to 1.29 cents per bushel.

Rumania

The Government Wheat Commissioner's Office in Rumania, established for the purpose of making stabilizing purchases, was abolished in December 1933, only to be re-established in March 1934 in order to prevent excessive losses to owners of wheat stock accumulated in speculators' hands at high stabilization price levels. The Commissioner purchased such wheat at 90 cents at first and later at 93 cents and began selling the latter part of May at considerably higher prices. Since the beginning of May the Commissioner's activities have been largely confined to purchasing wheat and other grains for relief purposes in sections where this year's wheat crop has been practically destroyed by drought.

Turkey

Effective June 1, 1934, the Turkish Grand National Assembly passed a law to tax wheat and rye flour 75 cents per 100 pounds for class 1 and 50 cents for other classes. A tax was also placed on macaroni, semolina, biscuits and other farinaceous products. Farmers are entitled to have their wheat ground tax free.

Yugoslavia

The Yugoslavian Government Grain Monopoly was abolished at the end of 1933, and the former monopolistic organization, the Priviledged Export Company, has been converted into a government grain marketing commission. This commission has the exclusive right to export wheat to Austria and Czechoslovakia within the limits of import quotas granted at preferential import customs duty rates by these two countries. Except for this, the export of wheat from Yugoslavia is free. The Government commission purchases the wheat needed to fill the above two import quotas on domestic markets in competition with other grain dealers. Preference is given by the Government commission to farmers' cooperatives, but the same prices are paid as by merchants.

Table 8.-Wheat, including flour: Movement from principal exporting countries, 1930-31 to 1933-34

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1930-31	1931-32	1932-33	1931-32	1932-33	1933-34	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	131,475	135,797	41,211	127,709	39,505	35,587	May 31
Canada	267,365	199,563	267,342	267,365	267,342	198,555	June 30
Argentina	120,638	144,920	120,272	144,920	120,272	144,849	June 30
Australia	143,296	155,451	148,060	114,274	118,608	68,154	Mar. 31
Russia	111,780	71,829	19,183	71,668	19,041	32,639	Apr. 30
Hungary	18,425	18,064	7,010	15,264	5,435	23,574	Mar. 31
Yugoslavia	5,332	15,369	1,162	12,894	1,152	536	Mar. 31
Rumania	16,072	37,481	186	34,748	174	242	Feb. 28
Bulgaria	5,041	11,795	3,144	6,521	2,181	2,879	Dec. 31
British India (L & S)	10,197	1/2,913	1/ 871	1/2,268	1/ 666	1/ 496	Feb. 28
Total	829,621	793,182	608,441	797,631	574,376	507,511	

	Shipments as given by trade sources						
	Total		Week ended				
	1932-33	1933-34	June 16	June 23	June 30	July 7	July 14
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	298,504	220,616	3,824	4,688	3,536	3,182	
Canada, four markets 3/	289,257	194,213	9,145	6,761	5,682	4,120	
United States	41,210	36,024	161	108	52	146	
Argentina	115,412	140,126	3,816	2,900	3,738	3,112	3,536
Australia	153,400	90,734	1,228	2,608	2,966	1,667	2,003
Russia 4/	17,408	26,656	0	0	0	16	0
Danube and Bulgaria 4/	1,704	15,872	384	32	64	8	23
British India	5/ 871	2/ 0	0	0	0	0	0
Total 6/	587,299	494,004	9,252	10,228	10,304	7,985	
Total European shipments 2/	448,672	401,560	9,064	8,424	8,056		
Total ex-European shipments 2/	164,256	123,352	1,024	2,200	2,776		

1/ Sea trade only.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.

Table 9.- Wheat, including flour: Shipments from principal exporting regions, specified dates, 1932-33 and 1933-34

Date	Argentina		Australia		Danube		North America	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 2 - July 29	3,264	14,140	7,672	8,728	208	0	22,896	14,296
July 30- Sept. 2	3,712	16,464	5,816	8,904	0	0	26,344	20,568
Sept. 3 - Sept. 30	3,368	7,896	6,228	7,548	16	1,008	25,200	17,328
Oct. 1 - Oct. 28	2,876	4,772	6,912	4,012	360	2,832	33,864	21,136
Oct. 29- Dec. 2	4,220	4,884	9,668	6,488	904	3,424	46,440	26,936
Dec. 3 - Dec. 30	5,852	5,016	8,916	8,064	128	1,848	23,896	14,664
Dec. 31- Jan. 27	12,228	10,672	22,308	9,288	0	960	20,200	17,240
Jan. 28- Feb. 24	17,392	15,872	26,832	9,392	0	616	16,768	16,872
Feb. 25- Mar. 31	19,032	20,404	28,252	8,228	32	272	22,216	18,816
Apr. 1 - Apr. 28	15,400	10,848	11,196	5,376	0	2,320	14,552	14,880
Apr. 29- June 2	16,220	13,432	13,996	6,580	56	2,048	27,672	22,768
Week ended								
June 9	3,200	5,272	1,340	1,324	0	64	4,976	3,064
16	2,072	3,816	1,552	1,228	0	384	5,040	3,824
23	4,424	2,900	992	2,608	0	32	4,504	4,688
30	2,152	3,738	1,720	2,966	0	64	3,936	3,536
Total, July 2 -June 30	115,412	140,126	153,400	90,734	1,704	15,872	298,504	220,616

Compiled from Broomhall's Corn Trade News.

Table 10.- United States: Exports of wheat and wheat including flour, by weeks, 1932-33 and 1933-34

Date	Wheat		Wheat flour		Wheat including flour	
	1932-33	1933-34	1932-33	1933-34	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 2 - July 29	1,962	21	206	169	2,931	815
July 30 - Sept. 2	3,841	19	306	249	5,279	1,189
Sept. 3 - Sept. 30	1,692	133	202	156	2,642	865
Oct. 1 - Oct. 28	2,030	13	209	121	3,013	581
Oct. 29 - Dec. 2	2,932	932	312	165	4,399	1,707
Dec. 3 - Dec. 30	810	3,393	241	199	1,942	4,328
Dec. 31 - Jan. 27	1,100	2,868	209	210	2,082	3,854
Jan. 28 - Feb. 24	549	2,379	205	189	1,513	3,267
Feb. 25 - Mar. 31	275	3,220	255	234	1,473	4,319
Apr. 7 - Apr. 28	15	4,370	197	202	941	5,319
Apr. 29 - June 2	17	1,704	218	163	1,041	2,471
Week ended						
June 9	4	4	81	20	385	98
16	4	86	52	16	248	161
23	3	5	54	22	257	108
30	1	-	41	11	194	52

Division of Statistical and Historical Research. Compiled from a weekly report of the Bureau of Foreign and Domestic Commerce.

Table 11.-Wheat, including flour: Net imports into European countries, 1931-32 to 1933-34

Country	1931-32	1932-33	Net imports reported July 1 to	1932-33	1933-34
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	245	217	Apr. 30	179	180
Italy	33	13	Mar. 31	10	5
Belgium	48	41	Apr. 30	35	35
France	81	38	Apr. 30	36	17
Netherlands	31	26	May 31	24	22
Germany	22	9	May 31	6	1/- 5
Greece	24	20	Jan. 31	12	8
Irish Free State	20	18	Apr. 30	15	16
Switzerland	21	19	May 31	18	16
Austria	14	13	Apr. 30	10	8
Czechoslovakia	20	7	May 31	5	2/
Denmark	17	12	May 31	11	11
Norway	9	8	May 31	7	8
Finland	4	4	Apr. 30	3	3
Sweden	7	4	May 31	4	2
Poland	1/- 3	1/- 1	Apr. 30	1/- 1	1/- 1
Portugal	2	3	Mar. 31	2	1
Latvia	1	3/	Feb. 28	3/	0
Estonia	1	3/	Mar. 31	3/	3/
Spain	2	8	Apr. 30	8	2/
Total	599	459		384	326

Division of Statistical and Historical Research. Compiled from official sources.

1/ Net exports.
2/ Net exports of less than 500,000 bushels.
3/ Less than 500,000 bushels.

Table 12.-Continental European stocks of wheat, May and June, 1933 and 1934

Position	1933 May	1933 June	1934 May	1934 June
	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.
Antwerp 1/	3,332	3,451	3,491	2,906
Rotterdam 1/	1,470	2,873	2,296	
Wheat stocks 12 principal continental ports (includes above 2 ports) 1/	6,994	7,918	7,110	
Berlin (wheat and flour) 2/	1,933	1,554	2,765	2,706
Hamburg (rough estimate) 1/	459	459	184	404
Bremen and Brake 1/	83	55	88	44
German farm stocks 2/	32,702	19,107	28,733	19,511
German "second-hand" stocks 3/ (wheat and flour) 2/	29,994	27,047	55,556	53,131
Swedish mill stocks of wheat 2/	2,782	3,491		

1/ Middle of month. 2/ First of month. 3/ In warehouses and flour mills. These totals are estimated to include 95 percent of all the stocks in warehouses and flour mills, and therefore must contain most of Berlin, Hamburg, and Bremen-Brake data. 4/ Preliminary.

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August 29, 1934

WORLD WHEAT PROSPECTS

Summary

The world wheat crop outside of Russia and China now seems likely to be about 430,000,000 bushels less than last year. Production in the Northern Hemisphere, outside of Russia and China, is indicated to be about 325,000,000 bushels less than last year, and in the Southern Hemisphere about 105,000,000 less than last year. Based on reports from 27 countries, Europe, excluding Russia, appears to have a reduction of about 320,000,000 bushels compared with last year of which about 115,000,000 is in the Danube Basin. Northern Africa and Asia may each have an increase of about 15,000,000 bushels. Argentina's crop is estimated to be about 50,000,000 bushels short of last year. The world wheat carry-over now appears to be about the same as last year, if not somewhat larger.

With the indicated reduction in total supplies, world wheat prices now seem likely to fluctuate at about the level reached during the latter part of July throughout most of the 1934-35 marketing season. Small changes in crop prospects and disposition of the Pacific Coast surplus, however, may be expected to result in large price fluctuations, since the supplies in the United States are about equal to probable domestic utilization plus a normal carry-over. With short supplies of hard spring and durum wheats, prices east of the Rockies are likely to be high enough to invite imports, especially of durum wheat. Production in and exports from the Southern Hemisphere will become more of a price movement factor later in the season.

The United States July 1 carry-in is now estimated at 290,000,000 bushels, which together with the estimated production of 491,000,000, indicates a total domestic supply of 781,000,000 bushels. This compares with a normal domestic

utilization of about 625,000,000 bushels and would leave a carry-over at the end of the season of about 156,000,000 if there are no net imports or exports. It seems likely, however, that greater than average amounts might be fed in certain drought stricken areas in which case prospective utilization would be correspondingly increased and carry-over decreased. Total supplies including carry-in and the new crop of hard red winter are estimated to be about 335,000,000 bushels; soft red winter 200,000,000; hard red spring 134,000,000; durum 16,000,000; and white wheat 96,000,000.

Production and Crop Prospects

Due to slightly higher harvested yields of winter wheat the estimated total wheat production in the United States in 1934 is now placed at 490,960,000 bushels. This figure is 1.5 percent higher than the forecast of 483,662,000 bushels a month ago but is about 7 percent below the 1933 crop of 527,978,000 bushels and almost 45 percent below the 5-year (1927-1931) average production of 886,359,000 bushels.

The condition of field crops in Canada declined sharply during July. The condition of spring wheat on July 31 was 63 percent of the long-time average compared with 82 percent on June 30 and 57 percent on July 31, 1933. The lowest condition in the Prairie Provinces was reported for Saskatchewan where a decline from 77 percent on June 30 to 53 percent on July 31 was noted. In Alberta, where the highest condition was reported, prospects declined from 92 percent on June 30 to 78 percent on July 31. The first estimate of the area sown to wheat in the Prairie Provinces as released on August 10 is 23,296,000 acres, a decrease of 7.5 percent from the 25,177,000 acres in 1933. The production of winter wheat which is estimated at 7,022,000 bushels is the lowest in the records of Canada which date from 1908.

In Europe, outside of Russia, present conditions indicate a reduction of about 320,000,000 bushels from last year's crop and the lowest total production since 1930. Estimates of several of the European wheat crops have been revised upward during the past month, but the reductions in other countries have nearly offset these increases and the net change is an increase of about 6,000,000 bushels. Changes in the estimates of the Danubian countries have increased the total of the four countries by 10,000,000 bushels, but the total is still 117,000,000 bushels less than in 1933. The first estimate of the production in England and Wales is 59,771,000 bushels which is the largest crop since 1922. The official estimate of the German crop has been revised upward nearly 5,000,000 bushels. The official estimate of the French crop is 304,970,000 bushels, a decrease of more than 57,000,000 bushels from last year's crop. The most important decrease was the downward revision of 14,000,000 bushels in the forecast of the Italian crop. The rye production in the 10 European countries for which estimates are available is 17 percent below 1933. Germany reported a decrease of 56,000,000 bushels. Important decreases are also expected in Poland and Czechoslovakia, but estimates are not available for these countries.

Good yields of excellent quality grain are reported by the North African countries. The total for the four countries has been increased during the past month and is now 15,000,000 bushels above last year.

An official report from Argentina dated July 23 stated that the condition of the wheat crop for the country as a whole was fair to good. A small decrease in acreage is expected in the important wheat growing province of Buenos Aires.

The International Institute of Agriculture in a cable dated August 16 stated that the condition of the wheat crop in Western Australia is satisfactory. Crop conditions in New South Wales have improved during the past month but the crop is very late. In Victoria germination is irregular and growth is poor. South Australia is very dry and rains are urgently needed.

The International Institute of Agriculture also reported the following information on Russia. Exact information on the harvest prospects in the U.S.S.R. is still lacking. Opinions are conflicting, official sources being optimistic in their communications, while information from private sources stresses the serious losses caused by drought and excessive heat. However, it is certain that in June, which is the critical month for spring wheat, there were plentiful rains and that, though these were not sufficient in some areas, the drought and heat could only have inflicted damage of a local character. It is probable that the Russian harvest this year will be a fair average and may leave a slight margin for export.

The 1934 wheat production in China is about 5 percent above the 1933 production, according to information received from Agricultural Commissioner Dawson at Shanghai. The crop in North Manchuria, however, is estimated to be about 30 percent below last year's crop due to the excessive rainfall and floods during July. The quality of the wheat in the lower Yangtze Valley is reported to be the best in years. Rice and other summer crops in China have been affected by the drought and present information indicates that the rice crop has been reduced 20 percent below last year.

Table 1.- Wheat: Production in specified countries, 1931-32 to 1934-35

Country	1931-32	1932-33	1933-34	1934-35 prel.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	932,221	744,076	527,978	490,960
Canada	321,325	443,061	269,729	1/ 275,000
Mexico	16,226	9,658	12,122	10,346
Total (3)	1,269,772	1,196,795	809,829	776,306
Europe				
England and Wales	35,896	41,253	58,755	59,771
Scotland	1,792	2,240	3,472	1/ 3,700
Northern Ireland	106	121	227	- - -
Irish Free State	781	831	1,983	- - -
Norway	592	749	770	2/ 700
Sweden	17,033	26,500	29,204	2/ 26,700
Denmark	10,053	10,997	11,545	2/ 10,700
Netherlands	6,751	12,837	15,325	15,623
Belgium	13,817	15,376	15,067	2/ 14,700
France	264,117	333,524	362,330	304,970
Spain	134,427	184,207	138,235	173,675
Luxemburg	406	719	995	1/ 700
Portugal	12,999	23,400	16,013	20,503
Italy	244,415	276,922	297,633	3/ 224,100
Switzerland	4,045	4,001	4,799	2/ 5,000
Germany	155,546	183,830	205,920	151,015
Austria	11,009	12,193	14,615	2/ 12,800
Czechoslovakia	41,232	53,737	72,896	2/ 47,400
Greece	11,228	17,067	24,696	4/ 27,600
Poland	83,220	49,472	79,883	2/ 49,900
Lithuania	8,335	9,423	8,192	2/ 8,400
Latvia	3,368	5,292	6,725	2/ 6,400
Estonia	1,738	2,085	2,450	2/ 2,700
Finland	1,121	1,483	2,460	2,612
Malta	277	301	305	1/ 300
Total (23) 5/	1,063,437	1,267,608	1,372,285	1,169,969
Bulgaria	63,831	48,125	58,858	46,253
Hungary	72,550	64,463	96,356	61,067
Rumania	135,300	55,537	119,070	73,487
Yugoslavia	98,789	53,444	96,584	73,487
Total (4)	370,470	221,569	370,868	254,294
Total Europe (27) 5/	1,433,907	1,489,177	1,743,153	1,424,263
Africa				
Algeria	25,649	29,237	31,998	39,720
Morocco	29,783	27,970	28,902	30,828
Tunis	13,963	17,453	9,186	15,800
Egypt	46,073	52,586	39,951	38,580
Total (4)	115,468	127,246	110,037	124,928
Palestine	2,927	1,877	1,633	3,270
Syria and Lebanon	14,209	9,849	12,033	
India	347,424	336,896	352,763	349,365
Japan	30,892	31,336	38,611	43,307
Chosen	8,341	8,576	8,499	9,322

Continued -

Table 1.- Wheat: Production in specified countries, 1931-32 to 1934-35 - Cont'd

Country	1931-32	1932-33	1933-34	1934-35 prel.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Turkey	104,946	71,135	80,835	91,858
Total (5) 5/	494,530	449,820	482,341	497,122
Total 39 countries 5/	3,313,677	3,263,038	3,145,360	2,822,619
Argentina	219,696	235,378	1/ 283,000	
Australia	190,612	213,927	174,363	
Union of South Africa	13,713	10,627	10,227	
Total (3)	424,021	459,932	467,590	
Estimated world production excluding Russia and China	3,854,000	3,804,000	3,710,000	
Russia	786,307	744,048	1,018,775	

1/ Unofficial. 2/ Estimated in the Berlin office of the Bureau of Agricultural Economics. 3/ Estimated in the Paris office of the Bureau of Agricultural Economics. 4/ Estimated in the Belgrade office of the Bureau of Agricultural Economics. 5/ Countries not reporting in 1934 are excluded from the total.

World Wheat Carry-over

The world carry-over of wheat on July 1, 1934, as indicated by incomplete returns, appears to be about 15,000,000 bushels greater than a year earlier. It is likely that there will be about 45,000,000 less for export or carry-over in the principal ex-European exporting countries together with the United Kingdom port stocks and stocks afloat, and about a 60,000,000 bushel increase in continental European countries.

Reports of stocks of old wheat in the ex-European exporting countries together with port stocks in the United Kingdom and afloat indicate that about 739,000,000 bushels of wheat were carried over into the 1934-35 season. This compares with 784,000,000 a year earlier and 696,000,000 carried into the 1932-33 year. Each of the two principal exporting countries of the Southern Hemisphere report an increase, Argentina's supplies of old wheat available for export or carry-over consisting of 98,000,000 bushels as compared with 56,000,000 a year earlier, and Australia's 85,000,000 as compared with 53,000,000 a year earlier. In the Northern Hemisphere, United States stocks are estimated at 107,000,000 bushels less than a year ago and Canadian 16,000,000 less. United Kingdom port stocks and total afloat are each estimated at about 2,000,000 bushels greater this year than a year ago.

Continental European stocks, outside of Russia, on July 1, as indicated by incomplete returns, appear to be about 60,000,000 bushels greater than a year ago, official and unofficial reports indicating the following principal changes: France a possible increase of 30,000,000 bushels, German farm and second-hand stocks an increase of about 21,000,000 bushels, Italy and the Danube countries each an increase of about 18,000,000 bushels and Spain a decrease of 28,000,000 bushels.

Table 2.- Wheat: Surplus for export or carry-over in the principal exporting countries, and United Kingdom port stocks and stocks afloat, July 1, 1931-1934

Position	July 1			
	1931	1932	1933	1934
	Million bushels	Million bushels	Million bushels	Million bushels
United States:				
Domestic wheat	326	385	393	290
Canadian wheat	5	5	4	10
Canada:				
Domestic wheat	148	153	230	208
United States wheat	15	16	4	0
Argentina	57	36	56	98
Australia	61	45	53	85
Total	612	640	740	691
United Kingdom port stocks:				
Wheat and flour	6	11	13	15
Afloat for United Kingdom	19	16	15	13
Afloat for Continent	18	19	8	10
Afloat for orders	13	10	8	10
Total	56	56	44	48
Grand total	668	696	784	739

Table 3.- Continental European stocks of wheat, June and July 1933 and 1934

Position	1933		1934	
	June	July	June	July
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Antwerp 1/	3,450	2,388	2,906	2,359
Rotterdam 1/	2,939	2,939	1,704	1,646
Wheat stocks 12 principal continental ports (includes above 2 ports) 1/	7,918	6,789	6,408	
Berlin (wheat and flour) 2/	1,554	1,725	2,704	576
Hamburg (rough estimate) 1/	459	625	404	404
Bremen and Brake 1/	55	51	66	92
German farm stocks 2/	19,107	15,175	19,511	8,231
German "second-hand" stocks 3/ (wheat and flour) 2/	27,032	22,932	53,259	4/ 50,581
Swedish mill stocks of wheat 2/	3,491	3,373	3,890	

1/ Middle of month. 2/ First of month. 3/ In warehouses and flour mills. These totals are estimated to include 95 percent of all the stocks in warehouses and flour mills, and therefore, must contain most of Berlin, Hamburg, and Bremen-Brake data. 4/ Preliminary.

United States Wheat Supplies and Distribution

While the total supply of wheat in the United States is more than ample to meet quantity requirements, there will be a shortage of hard red spring and durum wheats in 1934-35. Considering normal utilization and a normal "minimum" carry-over at the end of the year, it now appears that there is likely to be about a 16,000,000-bushel shortage of hard red spring wheat and about a 9,000,000-bushel shortage of durum. On the other hand, there appears to be a surplus of about 10,000,000 bushels of hard red winter wheat and about 16,000,000 bushels of white wheat over the utilization and "minimum" carry-over amounts.

Hard red winter can be substituted in many cases for hard red spring, but the substitution of hard red winter for durum is less satisfactory. With a somewhat restricted consumption of hard red spring wheat and a large use of hard red winter, combined with a very small carry-over at the end of the year, large importations of hard red spring may not be necessary. However, in the case of durum wheat, with a domestic utilization of about 20,000,000 bushels and a carry-in and production totaling only about 16,000,000 bushels, it will be necessary to import considerable amounts of durum. Only in the case of white wheat does there seem to be a surplus, indicating possible exports. White wheat from the Pacific Northwest may be substituted to some extent for soft red winter east of the Rockies, but it appears that the supply of soft red winter is large enough to take care of a fairly large domestic utilization.

Stocks in the United States are shown in Tables 4 and 5 . While the figures consist chiefly of old wheat, some new wheat is necessarily included. Stocks of wheat on farms and in interior mills and elevators include old wheat only. Stocks in commercial elevators and in merchant mills and elevators include practically all old wheat except such small amounts of new wheat as were received prior to July 1. Wheat in transit to merchant mills, which includes wheat bought "to arrive" contains new wheat especially from the Southwest. Since such wheat, however, represents a relatively small percentage of the total carry-over, new wheat included in this item is of little consequence in the total carry-over. Owing to the earliness of the southwestern crop this year, a somewhat larger percentage than usual of the new crop, however, may have been marketed before July 1.

Figures on domestic utilization have been changed from those published in the June issue of World Wheat Prospects because it was considered that under the shorter supplies of hard red spring wheat, greater amounts of red winter wheat would be utilized. Furthermore, it is likely that greater amounts of wheat than usual will be fed this year in those areas which are short of feed. This would increase the domestic utilization beyond the amounts allowed for in the accompanying table.

It will be observed that the figures on utilization in Table 5 include flour for export as well as for domestic use. As indicated in the footnote, these flour exports, total for all classes of wheat for the 5 years, 1929-30 to 1933-34, averaged the equivalent of 28,000,000 bushels of wheat, decreasing from 51,000,000 in 1929-30 to 10,000,000 bushels in 1933-34.

Table 4.-Wheat, including flour: Supply, distribution and disappearance in continental United States, 1929-30 to 1934-35

Item	Year beginning July					
	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
SUPPLY	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Stocks, July 1:						
On farms 1/	44,979	60,092	38,039	92,772	82,187	60,995
In country elevators and mills 1/	41,546	60,166	30,252	41,585	64,296	51,060
Commercial stocks 2/	95,684	109,327	203,967	168,405	123,596	80,548
In merchant mills and elevators and stored for others 3/	48,279	59,170	41,206	71,714	107,052	83,114
In transit to merchant mills 3/	16,237	14,706	12,496	10,088	16,038	14,066
Total wheat as grain	246,725	303,461	325,960	384,564	393,169	289,783
Flour (in terms of wheat) 4/	13,541	20,497	6,886	7,041	7,214	6,688
Total wheat and flour	260,266	323,958	332,846	391,605	400,383	296,471
New crop 1/	822,180	889,702	932,221	744,076	527,978	490,960
Imports (flour included) 5/	12,956	19,059	12,886	9,382	11,494	
Total supply	1,095,402	1,232,719	1,277,953	1,145,063	939,855	
DISTRIBUTION						
Exports and shipments:						
Exports (flour included) 5/	92,175	76,216	96,521	20,887	18,799	
Reexports (flour included) 5/	61,070	55,259	39,276	20,324	18,203	
Shipments (flour included: to Alaska, Hawaii and Puerto Rico) 5/	3,049	2,870	3,661	3,479	2,800	
Total	156,294	134,345	139,458	44,690	39,802	
Seed requirements 6/	83,930	81,060	80,098	82,922	76,181	
Disappearance for food, feed and waste	543,720	684,468	666,792	617,068	527,401	
Carry-over, June 30 7/	311,458	332,846	391,605	400,383	296,471	
Total distribution	1,095,402	1,232,719	1,277,953	1,145,063	939,855	
	Thousands	Thousands	Thousands	Thousands	Thousands	
Population, Jan. 1 8/	122,359	123,630	124,511	125,197	126,059	
	Bushels	Bushels	Bushels	Bushels	Bushels	
Per capita disappearance:						
For food, feed, & waste	4.44	5.54	5.36	4.93	4.18	
For food, feed, seed and waste	5.13	6.19	6.00	5.59	4.79	

Bureau of Agricultural Economics. Compiled as follows: 1/ Based on returns to the Bureau from crop reporters. 2/ From Bradstreets 1929; Bureau of Agricultural Economics, 1930 to 1934. 3/ Bureau of the Census figures raised to represent all merchant mills. Stocks stored for others included from July 1930. 4/ From Chicago Daily Trade Bulletin. 5/ From reports of Foreign and Domestic Commerce of the United States. 6/ Amount of seed used per acre from returns to the Bureau from inquiries sent to crop reporters. 7/ For individual items see above. 8/ Bureau of the Census.

Table 5.-Wheat: Estimated regional supplies and United States utilization by classes, 1934-35

Item	Winter wheat: Hard red	Winter wheat: Soft red	Spring wheat: Hard red	Spring wheat: Durum	All white	Total all wheat
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Western area: 1/						
Farm stocks	1.1	0.2	0.5	---	4.0	5.8
Country mills and elevators	2.5	0.9	1.3	---	18.5	23.2
Commercial stocks	1.1	0.1	0.5	---	2.8	4.5
In mills 2/	1.1	0.1	0.7	---	3.7	5.6
In transit to merchant mills	0.2	3/	0.1	---	0.7	1.0
Total stocks July 1	6.0	1.3	3.1	---	29.7	40.1
Production	18.0	6.1	3.1	---	53.3	80.5
Total supply	24.0	7.4	6.2	---	83.0	120.6
Spring wheat area: 4/						
Farm stocks	1.6	3/	13.1	2.3	0.1	17.1
Country mills and elevators	1.1	3/	10.0	1.9	0.1	13.1
Commercial stocks	1.1	---	24.9	2.5	3/	28.5
In mills 2/	0.8	---	11.1	1.2	3/	13.1
In transit to merchant mills	0.1	---	1.9	0.2	3/	2.2
Total stocks July 1	4.7	---	61.0	8.1	0.2	74.0
Production	9.2	0.2	47.4	6.6	0.5	63.9
Total supply	13.9	0.2	108.4	14.7	0.7	137.9
Hard winter wheat area: 5/						
Farm stocks	19.7	1.0	1.1	0.2	0.1	22.1
Country mills and elevators	7.2	0.4	0.5	0.1	3/	8.2
Commercial stocks	10.7	---	---	---	---	10.7
In mills 2/	33.7	0.6	0.5	0.1	0.1	35.0
In transit to merchant mills	5.7	0.1	0.1	3/	3/	5.9
Total stocks July 1	77.0	2.1	2.2	0.4	0.2	81.9
Production	151.8	11.1	2.8	0.5	0.3	166.5
Total supply	228.8	13.2	5.0	0.9	0.5	248.4
Northern soft winter wheat area: 6/						
Farm stocks	1.8	11.2	0.4	---	1.8	15.2
Country mills and elevators	0.9	4.7	0.1	---	0.5	6.2
Commercial stocks	26.5	6.4	3.3	3/	0.2	36.4
In mills 2/	13.9	6.6	7.0	0.1	0.2	27.8
In transit to merchant mills	2.4	1.1	1.2	3/	3/	4.7
Total stocks July 1	45.5	30.0	12.0	0.1	2.7	90.3
Production	22.5	123.2	2.4	---	9.2	157.3
Total supply	68.0	153.2	14.4	0.1	11.9	247.6
Southern soft winter wheat area: 7/						
Farm stocks	3/	0.8	---	---	3/	0.8
Country mills and elevators	---	0.4	---	---	3/	0.4
Commercial stocks	0.1	0.2	---	---	0.1	0.4
In mills 2/	3/	1.6	---	---	3/	1.6
In transit to merchant mills	3/	0.3	---	---	3/	0.3
Total stocks July 1	0.1	3.3	---	---	0.1	3.5
Production	3/	22.7	---	---	0.1	22.8
Total supply	0.1	26.0	---	---	0.2	26.3

Continued

Table 5.-Wheat: Estimated regional supplies and United States utilization by classes, 1934-35-Cont'd.

Item	Winter wheat		Spring wheat		All white	Total all wheat
	Hard red	Soft red	Hard red	Durum		
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States:						
Farm stocks	24.2	13.2	15.1	2.5	6.0	61.0
country mills and elevators	11.7	6.4	11.9	2.0	19.1	51.1
Commercial stocks	39.5	6.7	28.7	2.5	3.1	80.5
In mills 2/	49.5	8.9	19.3	1.4	4.0	83.1
In transit to merchant mills	8.4	1.5	3.3	0.2	0.7	14.1
Total stocks July 1	133.3	36.7	78.3	8.6	32.9	289.8
Production	201.5	163.3	55.7	7.1	63.4	491.0
Total supply	334.8	200.0	134.0	15.7	96.3	780.8
Domestic utilization 8/	265.0	175.0	100.0	20.0	65.0	8/ 625.0
Available for carry-over or export	69.8	25.0	34.0	-4.3	31.3	155.8
Normal "minimum" carry-over	40.0	15.0	50.0	5.0	15.0	125.0
Surplus or deficit	2.98	10.0	-16.0	-9.3	16.3	30.8
Average utilization, 1929-30 to 1933-34 8/	304.	176.	129.	37.	67.	8/ 713.

1/ Washington, Oregon, Idaho, California, Arizona, Utah and Nevada.
2/ In merchant mills and elevators and stored for others.
3/ Less than 50,000 bushels.
4/ Montana, North Dakota, South Dakota and Minnesota.
5/ Nebraska, Kansas, Texas, Oklahoma, Wyoming, Colorado and New Mexico.
6/ Wisconsin, Iowa and Missouri and north of the Ohio and Potomac Rivers.
7/ East of the Mississippi River and south of the Ohio River.
8/ Preliminary. Includes wheat ground into flour for export; average of such export flour total for all classes of wheat for 5 years, 1929-30 to 1933-34, was 28,000,000; years ended 1930, 1931, 1932, 1933 and 1934 were respectively as follows (million bushels): 51, 38, 29, 14 and 10.

(See also footnotes to first section, Table 4).

Prices

Wheat prices in the United States, as well as in European countries where prices are not fixed by law, have been strongly influenced by the unfavorable crop prospects throughout the Northern Hemisphere. Adverse growing conditions, especially in Canada and in the spring wheat area of the United States, resulting in prospective reduced supplies, have been responsible for much of the recent rise.

The rise in average market prices of wheat in the United States during July and early August was shared by all classes with one minor exception. No. 2 Hard Amber Durum at Minneapolis, after rising from an average of $1.10 for the week ended July 7 to $1.39 for the week ended July 21, dropped to $1.35 1 week later only to move up again to $1.40 and $1.45 for the weeks ended August 4 and 11. No. 2 Hard Winter at Kansas City rose from $.86 for the week ended July 7 to $.90, $.99, $1.00 and $1.04, respectively, for the weeks following and was $1.09 for the week ended August 11. During the same period No. 1 Dark Northern Spring at Minneapolis rose consistently from $.97 to $1.23; No. 2 Red Winter at St. Louis from $.89 to $1.03; and Western White at Seattle from $.74 to $.95. Prices in foreign markets, reacting to the prospects of shorter supplies, rose almost as much as in the United States. Evidence of this fact is that December futures at Liverpool averaged 20.9 cents higher for the week ended August 11 than for the week ended July 7 as compared with a 20.4 cent rise in December futures at Chicago for the same period. Prices continued up both in this country and abroad until August 11 when they suffered a reversal. Chicago December futures dropped from $1.12 on August 10 to $1.04 on the 15th, while Liverpool December futures dropped from $1.01 to $.90.

The United States average farm price of wheat as of July 15 was 78.8 cents compared with 78.9 cents a month earlier, and 86.9 cents in July 1933. Market price changes since mid-July indicate that the August 15 average farm price is likely to be considerably higher than that prevailing in mid-July.

The United States crop, indicated to be about 135,000,000 bushels smaller than domestic utilization, will probably result in prices being maintained well above world markets throughout most, if not all, of the current season. December futures at Chicago averaged 12.4 cents higher than Liverpool for the week ended August 11. For the week ended July 21, the spread averaged 18½ cents. Liverpool prices have risen in recent weeks largely because of the reported damage to the Canadian crop. If present prospects for Canadian production are borne out, it seems likely that world prices will fluctuate at about late July levels. This would mean that prices in the United States are likely to retain much of the gain made up to early August.

Table 6.- Wheat: Closing prices of September futures 1/

Date	Chicago		Kansas City		Minneapolis		Winnipeg 2/		Liverpool 2/		Buenos Aires 3/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 4/	119	110	113	109	118	119	93	97	89	97	5/71	6/ 75
Low 4/	56	75	49	68	53	73	44	67	51	69	5/46	6/ 54
July 21	93	101	86	97	92	105	72	88	79	82	65	6/ 59
28	97	101	93	98	97	107	75	89	77	84	61	6/ 61
Aug. 4	99	104	93	102	97	111	78	92	76	92	61	6/ 68
11	92	104	88	103	92	114	68	90	71	94	58	6/ 75

1/ October futures for Winnipeg and Liverpool.
2/ Conversions at noon buying rate of exchange.
3/ Prices are of day previous to other prices.
4/ April 1 to date.
5/ August and September futures.
6/ September futures.

Table 7.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 1/ Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	108	116	106	109	114	123	120	145	108	103	86	95
Low 3/	58	79	54	70	59	81	62	87	60	73	56	69
July 21	108	100	106	99	114	113	120	139	108	96	86	85
28	93	103	90	100	100	114	101	135	94	97	83	83
Aug. 4	94	108	92	104	100	117	104	140	93	99	83	88
11	97	116	94	109	100	123	105	145	96	103	79	95

1/ Hard amber durum beginning July 1, 1934.
2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
3/ April 1 to date.

Table 8.- Wheat: Price per bushel at specified markets, in terms of United States currency, by weeks, June -August 1934

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/7/	Paris 6/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
June 2	95.8	110.0	73.2	54.2	72.3	70.2	212	234	---
9	94.8	105.7	71.3	54.0	71.4	72.2	206	237	233
16	92.8	105.3	71.3	54.4	71.0	73.3	208	237	239
23	87.4	100.9	71.8	53.7	70.6	74.2	208	237	239
30	88.1	99.4	71.4	53.4	70.2	75.4	215	237	186
July 7	87.9	97.5	71.5	53.7	70.4	74.4	210	240	189
14	89.9	101.6	75.4	55.6	72.9	74.2	210	240	191
21	99.3	102.7	80.4	58.7	77.3	72.0	210		191
28	99.9	114.0	81.1	60.3	79.7	68.6	210		
Aug. 4	104.1	116.7	84.4	66.1	88.2				
11	109.2	123.3	89.1	73.5	94.9				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter. 2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern. 4/ Near futures.
5/ Home-grown wheat in England and Wales. 6/ Domestic.
7/ Since April 1 fixed flour mill purchase price.

The Continental European Wheat Market Situation 1/

Business on the Continent was of fair volume and particularly active during the second 10-days of the months, when large quantities of Argentine wheat were acquired, principally by Holland and Belgium. The trade in general feels that the wheat market has undergone a substantial basic improvement as a result of the wheat crop shortage in the Northern Hemisphere and the unfavorable outlook for other grain crops. In several continental countries the carry-over of wheat into the new crop year is well above normal but nevertheless a substantial increase in European wheat takings during 1934-35 as compared with last year is expected.

During July a number of important measures for the regulation of the grain trade were taken in both Germany and Czechoslovakia. In the former, fixed prices for all grains were established and compulsory delivery of bread grains by farmers provided for. In addition, the sale of wheat and rye for feeding purposes was prohibited. In Czechoslovakia the long awaited grain monopoly was finally established under which both farm and wholesale prices of grain are fixed.

1/ Based on reports of Donald F. Christy, Assistant Agricultural Attache, Berlin, Germany, July 31, 1934, of N. I. Nielsen, Agricultural Attache, Paris, France, August 1, 1934, and of Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia, July 26, 1934. All price quotations except as noted, have been converted at current exchange rates.

France

Under normal conditions the annual consumption of bread wheat in France is about 320,000,000 bushels, so that the 1934 crop as now estimated is below domestic requirements. In spite of this, supplies for the 1934-35 season will be more than liberal on account of stocks accumulated from the abnormally large crops of 1932 and 1933. Opinions as to the size of stocks vary all the way from 81,000,000 to 110,000,000 bushels. Adding stocks to the 1934 crop it appears as though supplies of bread wheat for 1934-35 will be between 386,000,000 and 415,000,000 bushels. In this connection it should also be realized that the bread wheat crop is larger than last year in the North African Colonies, and more may come to France from that source than was the case during 1933-34. Even when taking the lowest figure on supplies it is apparent that unless the 1934 crop is greatly over estimated, France will have more than enough wheat to cover normal needs. On this account the regulations in force in 1933-34 to increase consumption, will probably be continued through 1934-35. Along this line, it has been intimated that the extraction ratio may be further reduced.

Italy

It now appears that old crop stocks in Italy amounted to around 18,000,000 when the 1934-35 season opened. Adding the estimated crop to the carry-over, it appears that total supplies for the current season are approximately 242,000,000 bushels. In comparison with normal domestic requirements, this represents a deficit of 50,000,000 bushels. There is some question whether or not imports, however, will be in line with the deficit indicated but the fact that flour content of the 1934 Italian wheat is below that of 1933 must not be overlooked.

Holland and Belgium

During the first part of July trading in wheat was small, but during the second half of the month, both Belgium and Holland took large quantities particularly of Argentine wheat. Both flour mills and merchants were active purchasers. Business in Manitoba and new Hungarian wheat was quiet.

According to newspaper reports a Dutch industrial concern is negotiating a compensation deal with Rumania. Rumanian grain for sale in Holland, according to these reports, is to be paid for to the extent of 70 percent in textile and metal goods of Dutch and German origin, while 30 percent is to be paid in cash.

Germany

Trade in Germany during July was at a low ebb because of uncertainties regarding the operations of the new control measures. Import business was quiet and confined to the best grade Manitoba wheat which, under the July import and milling restrictions was the only foreign wheat in demand.

Recent governmental measures dominated the market. They provide for definite fixed prices and price spreads for grain, certain delivery obligations on the part of farmers, the regulation of purchases and sales of grain, grain products and bread, terms of sale, and the contingenting of the quantity of grain to be handled by the distributing and processing firms. The prices fixed

for wheat and rye this year, as already determined, will average 3 to 5 cents above those of last year. Flour mill purchase prices for wheat and rye are set at 42 and 39 cents per bushel, respectively, above the farm price. The milling quota for foreign wheat is placed at 20 percent of the total quantity milled last year, and the milling extraction of rye, which usually ranges from 60 to 70 percent, has been changed to 75 percent with ash content of .967 percent. First and second-hand stocks statistics show that on June 30 this year there were 2,900,000 bushels more of rye on hand than a year ago.

Beginning with August 16, 1934, each flour mill is permitted to mill not more than 20 percent of foreign wheat, compared with 30 percent last year. The new quota of 20 percent, however, applies to foreign wheat in general, whereas last year only 3 percent of the 30 percent was allowed unrestricted entry, the other 27 percent involving the use of export certificates.

The high import tariff and the high price of export certificates made foreign wheat in July very expensive. However, according to a Berlin report to the Associated Press, prohibitive tariffs on grain imports were abolished in Germany, effective August 14. The extent to which flour mills may utilize the existing possibilities to import wheat on the basis of previously issued but unused export certificates is very uncertain. No new certificates are being issued this year. Certificates outstanding on July 1, 1934 would provide for the importation of only about 1,100,000 bushels, which has caused the price in July to increase sharply. On July 27 the price of certificates was $2.29 per bushel compared with $1.90 on July 9, and $1.75 on June 23. With Manitoba No. 1 selling at $1.04 for the wheat plus $2.29 for the certificates plus $.11 for expenses, the total amounted to $3.44 per bushel. This was $1.33 per bushel higher than the price of domestic wheat. The real determining factor in imports at present is the amount of foreign exchange available for the purchase of wheat.

Germany is faced with a shortage of grains this year. In addition, potatoes, other root crops, hay and pastures have suffered severely. According to recent newspaper reports, because of the shortage, minimum prices for potatoes have been established and industrial use of them prohibited until September. The bread supply is assured if one considers the carry-over from last year and the possibility of substituting rye for wheat. The deficit of feedstuffs, however, is alarming, and even though livestock numbers undergo a substantial reduction, large quantities of feedstuffs will have to be imported.

The 1934 grain crop in Germany is about 5,500,000 short tons less than in 1933, and the potato crop is reduced by an estimated amount equivalent to about 1,700,000 short tons of grain, making a total reduction of about 7,200,000 short tons compared with last year. Total utilization of grain during 1933-34, including potatoes expressed in grain equivalents, was about 40,000,000 short tons. Allowing for the utilization of 1,700,000 short tons as the reduction in requirements resulting from decreased livestock numbers, more careful feeding methods and the use of substitutes, it is still apparent that Germany will be facing a deficit of at least 2,800,000 short tons of grains and other feedstuffs. Furthermore, the above calculations do not take into account the shortage in the hay and fodder crops, and the reduced value of pastures as a result of the drought. At the present time, it appears that Germany will be able to obtain only a small percentage of these necessary

supplies from European countries. They will probably have to come from overseas, but will, no doubt, be purchased from countries granting Germany increased market possibilities for German exports.

Czechoslovakia

As a result of a short grain crop and approaching introduction of high fixed prices by the grain monopoly, Czechoslovakian free market prices of grain advanced considerably during the first half of July. The wheat market was for sometime characterized by a complete lack of offers so that the grain syndicate had to release significant quantities from its stock in order to satisfy the requirements of the flour mills. To some extent, this was also true of rye.

The Czechoslovakian monopoly price for hard red wheat (61 pounds per bushel) has been fixed for the year. The farm price for August is $1.86 per bushel, for September $1.87, and for each succeeding month about 2 cents higher so that for May 1935 it is $2.04 (current rate of exchange). The farm price for August rye is $1.32 which will be gradually increased until May 1935 when it will reach $1.46. Sales prices are farm prices plus 9 cents per bushel in the case of wheat and 7 cents in the case of rye. It is expected that the monopoly will handle annually, a quantity of 29,000,000 bushels of wheat and 31,000,000 bushels of rye.

Austria

The Viennese market for wheat and other grains continued firm throughout the month of July although, as a result of unsatisfactory flour sales, flour mill demand was at times very quiet.

In accordance with an agreement effective July 4, Hungary will export to Austria 8,000,000 bushels of wheat annually, at the preferred Austrian import tariff. The tariff reduction for this preferential wheat, is not stipulated but will, no doubt, vary in accordance with the requirements of the Austrian market. Hungary will permit increased importation of Austrian industrial goods.

Sweden

It is reported from Sweden that considerable stocks of domestic wheat from the 1933 crop have been carried over into 1934-35. It is therefore, planned to renew the exportation of domestic soft wheat. Denmark is reported to be interested in this wheat as a result of the German export prohibition. As a matter of fact Denmark has recently taken significant quantities of Swedish wheat reportedly for feed for hogs.

Spain and Portugal

It is now estimated that Spain entered the new season with a carry-in of between 4,000,000 and 7,000,000 bushels. Considering the new crop and the fact that Spain requires about 147,000,000 bushels for domestic utilization, it is to be expected that the 1934-35 season will close with a substantial carry-over. The situation in Portugal is similar to that of Spain, as the 1934 crop is considerably above requirements. With an indicated crop of 21,311,000 bushels, it means a production of about 4,000,000 bushels above normal requirements.

Poland

The Polish grain market during July was under the influence of two opposing forces. The short crop this year had a basic strengthening effect on prices but the market was temporarily depressed by the abundant offerings of new crop rye. As flour mill demand remained quiet, prices of rye in particular dropped sharply during the first half of July. In view of this year's situation, however, the "State Grain Industry Works" increased their purchase price for wheat and rye during the second half of the month and bought considerable quantities of rye. Thus Polish wheat prices towards the end of the month showed an increase over last month and are likely to continue on higher levels if the market intervention of the state grain agency is maintained.

Recent newspaper reports indicate that Polish agricultural authorities discussed the possible establishment of a grain monopoly similar to that existing in Czechoslovakia.

Danube Basin

Probable exports of wheat and wheat flour in terms of wheat from Danube Basin countries between July 1, 1934 and June 30, 1935, are forecast at about 24,000,000 bushels as compared with about 35,000,000 bushels exported in 1933-34, and with the 5-year (1928-29 to 1932-33) average annual exports of 46,000,000 bushels. This forecast includes a surplus carry-in of 9,000,000 bushels which together with another 9,000,000 bushels to be used to build up depleted farm reserves in Hungary and Bulgaria, constitutes the estimated carry-over from last year. Of the total forecast exports, it is estimated that 15,000,000 bushels would be from Hungary, 7,000,000 from Yugoslavia and 2,000,000 from Bulgaria, and none from Rumania.

As a result of uncertainty regarding government policy, exports during July have been small. Trading in new wheat has been very limited due to small deliveries by farmers until the latter part of July when deliveries increased. Prices have increased accordingly.

With the exception of Bulgaria, where the wheat trade is under complete government monopoly control, the governments of all Danubian countries have adopted methods of direct stabilization purchases for the 1934-35 season. Such purchases have been possible either as a result of the sale of large quantities of wheat to neighboring countries at prices above world parity (Hungary and Yugoslavia) or in consequence of small crops which will barely cover the needs of home consumption (Rumania). In Hungary, the Government has established minimum prices varying from $1.09 to $1.17 per bushel at the various provincial stations. This price refers to 62-pound wheat and corresponds to a price of $1.29 per bushel f.o.b. Austrian frontier. During July, internal prices in Hungary were in excess of the established minimum prices fixed on the basis of the Rome agreement, according to which Austrian importers will pay $1.03 per bushel for Hungarian wheat weighing 62 pounds per bushel, f.o.b. Austrian frontier.

The minimum price at which the Government will buy wheat in Rumania has not yet been fixed. In Yugoslavia, the Privileged Export Company began to buy wheat toward the end of July for export to Austria at a fixed price of 78 cents per bushel. In Bulgaria, the monopoly has purchased 59-pound wheat at $1.09 per bushel, f.o.b. loading station. The same wheat is sold

for urban use at $1.29 per bushel. Farmers in deficit regions will receive such wheat for $1.16 per bushel.

The Oriental Wheat and Flour Market 1/

Wheat imports into China during the current crop year may equal 17,800,000 bushels, provided world wheat prices do not advance materially. This includes three cargoes of government loan wheat now being delivered. Australian and Argentine wheat was quoted in mid-August at 87.88 cents per bushel c.i.f. Shanghai, duty included, with domestic standard wheat for August delivery at 71.41 cents and September at 75.17 cents per bushel. No immediate importations of American wheat are expected, the present outlook favoring wheat from Argentina and Australia. It is felt by important members of the trade that a local liquidation in the wheat and flour exchange, which has been taking place, is about completed and that future prices will be largely influenced by the world trend.

Australian flour in mid-August was quoted at $3.66 per barrel of 196 pounds c.i.f. Hongkong, with Shanghai for August delivery at 89.63 cents and September delivery at 89.28 cents per bag of 49 pounds.

An estimation of flour imports into China, excluding Manchuria, for the current crop year is difficult due to the selling of government loan flour. Excluding government loan flour, imports are not expected to exceed 270,000 barrels. The Chinese Government has recently sold 100,000 barrels and they desire to sell 300,000 barrels more if the price situation permits. In Manchuria foreign flour imports are expected to exceed last year's large figure of 3,407 barrels due to the smaller wheat crop and expected improvement in buying power.

The Dairen flour market during the last half of July was very active. Purchases were made for August, September and October shipments of 1,800,000 bags of Australian and over 2,000,000 bags of Japanese flour. Only a small proportion of Shanghai flour was purchased due to higher prices.

Total Chinese consumption of flour made in Shanghai during the current crop year is expected to slightly exceed that of last year. Demand around Tientsin and other North China ports is estimated to be larger, Yangtze Valley about the same and South China slightly less, with Manchuria also smaller due to large Japanese and Australian commitments. Shanghai flour prices, in spite of a recent sharp rise, are still 12 cents per bag below the August 1921-1930 10-year average price.

Arrivals at milling centers to date of new wheat are below last season due to interior buyers holding for better prices. Shanghai millers believe larger amounts of native wheat will be used this season in spite of drought in some districts which may reduce wheat arrivals from such sections.

Shanghai mid-August reports indicate mills are operating full time. They have no flour stocks on hand and are unable to fulfill immediate demands on previous sales. The mills have sufficient wheat for about 2 months supply, including three cargoes of American flour wheat which are due to arrive before the middle of September.

1/ Based on reports received from O. L. Dawson, Agricultural Commissioner, Shanghai, China, dated August 17 and 22.

The Tientsin flour mills in mid-August were running about 65 percent capacity due to a shortage of wheat. Arrivals of domestic wheat were light. Mills were showing some interest in foreign wheat but quotations were too high. Tientsin flour demand was strong and for the crop year the demand is expected to fully equal last year.

Wheat Yields in Europe and in the United States Since 1860

Because low yields are general throughout most of the Northern Hemisphere this year, interest has been expressed in historical data which would show variations in yields as between Europe and the United States. As a result, three series for Europe, figures for which are generally available since 1860, and one series for the United States have been prepared and figures made.

High yields in France as shown in Figure 1 seem to occur most frequently at intervals of about 4 years. During the period since 1860, the 4-year interval appears to occur seven times, the 5-year five times, the 3-year three times and the 2 and 6-year interval once each.

Figure 1 also seems to indicate that high yields in the United States occur most frequently at intervals of about 3 years. Since 1866, the 3-year interval appears to occur nine times, the 2 and 4-year intervals four times each and the 5 and 6-year intervals once each.

Figure 2 indicates that yields per acre in France have varied in much the same manner as in six other European countries and also in much the same manner in Italy, although to a somewhat less degree, thereby making it possible to use yields in France, for which figures are available for a longer period, as generally representative of those in Europe.

The data used are considered fairly comparable, even though there have been some boundary changes in Europe and in two cases the official data were incomplete. Average yields were determined by production divided by acreage. In the case of Italy, acreage figures for the period 1880 to 1889 not being available, average acreage figures for 1879-1883 were used with available figures on production. In the case of England, production figures not being available for the period 1880 to 1883, average yield figures for 1884 to 1888 were used in connection with available acreage figures.

Table 9.-Wheat, including flour: Movement from principal exporting countries, 1930-31 to 1933-34

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1930-31	1931-32	1932-33	1931-32	1932-33	1933-34	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	131,475	135,797	41,211	135,797	41,211	37,002	June 30
Canada	267,365	199,563	267,342	199,563	267,342	198,555	June 30
Argentina	120,638	144,920	120,272	144,920	120,272	144,854	June 30
Australia	143,296	155,451	148,060	114,274	118,608	68,154	Mar. 31
Russia	111,780	71,829	19,183	71,668	19,041	32,639	Apr. 30
Hungary	18,425	18,064	7,010	15,264	5,435	23,574	Mar. 31
Yugoslavia	5,332	15,369	1,162	14,216	1,160	618	Apr. 30
Rumania	16,072	37,481	186	35,350	179	242	Mar. 31
Bulgaria	5,041	11,795	3,144	7,316	2,243	2,996	Jan. 31
British India (L & S)	10,201	3,870	2,169	3,324	1,668	1/1,695	Apr. 30
Total	829,625	794,139	609,739	741,692	577,159	510,329	

	Shipments as given by trade sources						
	Total		Week ended			July 1-Aug. 11	
	1932-33	1933-34	July 28	Aug. 4	Aug. 11	1933	1934
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	298,504	220,616	3,072	4,153	3,953	21,848	21,298
Canada, 4 markets 3/	289,257	194,213	4,797	5,143	5,507	22,594	28,357
United States	41,211	37,002	215	536	1,414	1,774	2,570
Argentina	115,412	140,128	3,373	3,738	6,133	20,912	24,519
Australia	153,400	90,736	2,006	2,030	826	12,124	10,492
Russia 4/	17,408	26,656	0	0	0	0	16
Danube and Bulgaria 4/	1,704	15,872	48	40	200	0	336
British India	5/2,169	6/1,695	0	0	0	0	0
Total 7/	588,597	495,703	8,499	9,961	11,112	54,884	56,661
Total European shipments 2/	448,672	401,560	7,784			8/30,152	8/30,080
Total ex-European shipments 2/	164,256	123,352	1,384			8/9,160	8/7,960

1/ Sea trade only for March, total land and sea trade for other months.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ July - April.
7/ Total of trade figures includes North America as reported by Broomhall's.
8/ To July 28.

Table 10.- Wheat, including flour: Shipments from principal exporting regions, specified dates, 1933-34 and 1934-35

Week ended	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 7	3,928	3,120	1,476	1,668	0	8	4,368	2,888
14	3,428	3,544	3,432	2,004	0	32	3,048	3,608
21	3,668	4,611	2,104	1,958	0	8	3,192	3,624
28	3,116	3,373	1,716	2,006	0	48	3,683	3,072
Aug. 4	1,920	3,738	2,788	2,030	0	40	4,224	4,153
11	4,852	3,133	608	826	0	200	3,328	3,953
Total July 1-Aug. 11 ..	20,912	24,519	12,124	10,492	0	336	21,848	21,298

Compiled from Broomhall's Corn Trade News.

Table 11.- United States: Net exports of wheat including flour, July-June, 1931-32 to 1933-34

Item	July 1, 1931 to June 30, 1932	July 1, 1932 to June 30, 1933	July 1, 1933 to June 30, 1934
	1,000 bushels	1,000 bushels	1,000 bushels
Exports:			
Wheat	96,521	20,887	18,799
Flour in terms of wheat	39,276	20,324	18,203
Total	135,797	41,211	37,002
Imports:			
Wheat	12,885	9,379	11,490
Flour in terms of wheat	1	3	4
Total	12,886	9,382	11,494
Reexports:			
Wheat	863	453	1/ 2/
Flour in terms of wheat	1	3	1/ 0
Total	864	456	1/ 2/
Net exports:			
Wheat	84,499	11,961	7,309
Flour in terms of wheat	39,276	20,324	18,199
Total	123,775	32,285	25,508

1/ Six months.
2/ Less than 500 bushels.

Table 12.- United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35

Date	Wheat		Wheat flour		Wheat including flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 7	3	-	41	31	196	146
14	8	7	33	29	163	143
21	4	3	31	25	150	121
28	6	18	35	42	264	215
Aug. 4	5	395	39	30	188	536
11	1	1,010	41	86	194	1,414

Compiled from a weekly report of the Bureau of Foreign and Domestic Commerce.

Table 13.- Wheat, including flour: Net imports into European countries, 1931-32 to 1933-34

Country	1931-32	1932-33	Net imports reported		
			July 1, to	1932-33	1933-34
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	245	217	June 30	217	216
Italy	33	13	Apr. 30	12	7
Belgium	48	41	May 31	39	38
France	81	38	May 31	37	18
Netherlands	31	26	June 30	26	24
Germany	22	9	June 30	9	1/ - 4
Greece	24	20	Jan. 31	12	8
Irish Free State	20	18	May 31	17	18
Switzerland	21	19	June 30	19	18
Austria	14	13	June 30	13	11
Czechoslovakia	20	7	June 30	7	2/
Denmark	17	12	June 30	12	12
Norway	9	8	June 30	8	9
Finland	4	4	May 31	4	4
Sweden	7	4	June 30	4	2
Poland	1/ - 3	1/ - 1	June 30	1/ - 1	1/ - 2
Portugal	2	3	Apr. 30	2	1
Latvia	1	3/	Apr. 30	3/	0
Estonia	1	3/	Apr. 30	3/	3/
Spain	2	8	May 31	8	2/
Total	599	459		445	380

Compiled from official sources.

1/ Net exports. 2/ Net exports of less than 500,000 bushels.
3/ Less than 500,000 bushels.

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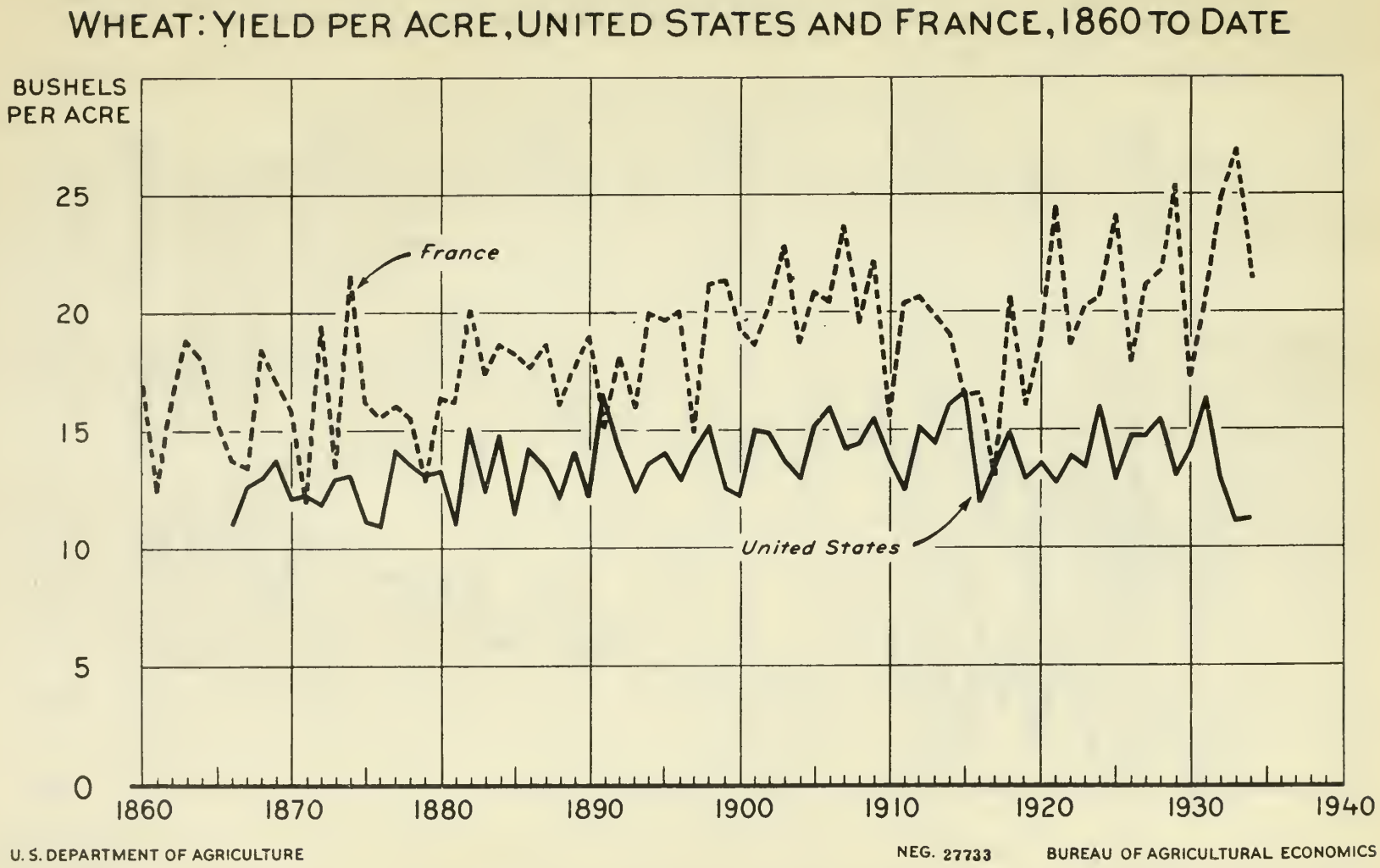

FIGURE 1 - HIGH YIELDS PER ACRE IN FRANCE SEEM TO OCCUR MOST FREQUENTLY AT INTERVALS OF ABOUT FOUR YEARS AND IN THE UNITED STATES MOST FREQUENTLY AT INTERVALS OF ABOUT THREE YEARS.

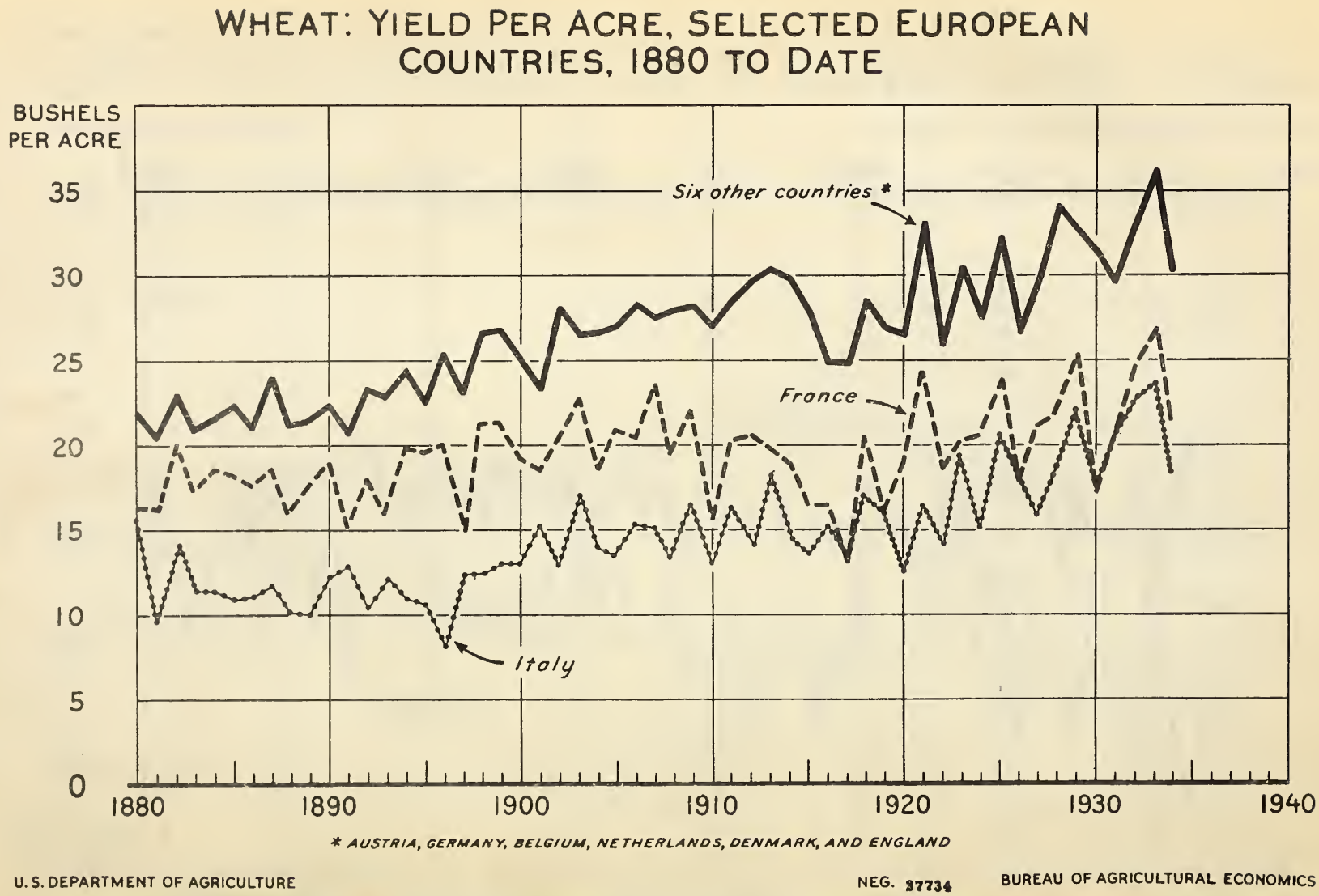

FIGURE 2 - YIELDS PER ACRE IN FRANCE HAVE VARIED IN MUCH THE SAME MANNER AS IN SIX OTHER EUROPEAN COUNTRIES, AND ALSO IN MUCH THE SAME MANNER AS IN ITALY, ALTHOUGH TO A SOMEWHAT LESS DEGREE.

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WORLD WHEAT PROSPECTS

Summary

World wheat supplies promise to be adequate for prospective utilization in spite of small yields in some of the important wheat producing countries according to the United States Bureau of Agricultural Economics. By the end of the season, however, it is to be expected that stocks will be reduced to about a normal level so that there will be a basic improvement in the general wheat situation, the influence of which will extend beyond the current crop year.

The wheat crop in the Northern Hemisphere is now indicated to be about 290,000,000 bushels less than last year. The Bureau estimates the North American production at about 781,000,000 bushels or about 29,000,000 bushels less than last year, and European production, taking into consideration all countries except Russia, at about 1,460,000,000 bushels, or about 290,000,000 less than last year. Africa now appears to have a crop increase of about 14,000,000 and Asia an increase of about 15,000,000 bushels over a year ago. World rye production, moreover, will also be considerably less than the large crop of a year ago.

Estimates of the United States and Canadian production as indicated by September 1 condition, were both 2,000,000 bushels higher than indicated a month earlier. Estimated European production has been revised upward a total of about 30,000,000 bushels during the past month, 10,000,000 of which was for Germany and 6,000,000 for Spain. The crop in the three leading African countries, which is estimated at about 14,000,000 bushels more than a year ago, has been revised downward about 1,000,000 bushels while the estimated crop in five Asiatic countries remains virtually unchanged at about 15,000,000 bushels.

The first official estimate of the area sown to wheat in Argentina for the 1934-35 harvest is 18,483,000 acres, which is 6 percent below the 1933-34 final estimate. Crop conditions are reported on the whole to be good.

The area sown to wheat in Australia is estimated at 12,965,000 acres, which is 13 percent below last year and is the smallest wheat area in Australia since 1927-28. The condition of the crop in New South Wales, South Australia and Western Australia is reported to be satisfactory, with condition poor in Victoria.

The Russian wheat crop is indicated to be considerably less than last year, but official reports from that country claim a total yield of cereals as large as in 1933 so that some wheat exports are altogether possible. Exports during 1933-34 amounted to about 34,000,000 bushels.

No further major price swings for wheat seem likely until there is some material change in prospective supplies. Both United States and world market prices, which rose very sharply during July and early August have reacted so that the price structure now appears on a sounder basis.

Net imports of wheat by European countries during 1934-35 are provisionally estimated at around 450,000,000 bushels as compared with 396,000,000 bushels last year. The increase is attributed to smaller production not being offset by increased carry-over.

The trend of per capita consumption of wheat flour in the United States appears to be slightly downward, while total flour consumption for the country has been well maintained during the past 10 years. At the present time normal per capita consumption appears to be .87 or .88 barrels.

Trading in foreign wheat on continental European wheat markets was active during the first half of August, but fell off during the second half of the month. The Oriental wheat and flour market showed no interest in foreign wheat during the month.

Production

Estimates of wheat production are now available for 40 countries which last year produced about 99 percent of the estimated Northern Hemisphere wheat crop, exclusive of Russia and China. The estimates for these 40 countries total 2,856,539,000 bushels, a decrease of 9 percent from the 3,149,051,000 bushels produced in 1933.

The estimate of the 1934 production in the United States has been revised upward 2,325,000 bushels and is now placed at 493,285,000 bushels.

The first official estimate of the Canadian crop issued September 11 placed the crop at 277,304,000 bushels compared with the unrevised estimate of 269,729,000 bushels in 1933. Preliminary disposition figures indicate that the 1933 wheat crop in western Canada was underestimated by about 13,000,000 bushels. If this underestimate is substantiated by final disposition figures, it is apparent that the preliminary estimate of the 1934 crop is slightly lower than the final outturn of 1933.

Estimates of the wheat production in several European countries have been revised upward during the past month and have increased the total for Europe, exclusive of Russia, about 30,000,000 bushels. The total for 27 countries is 1,454,305,000 bushels, a decrease of 17 percent from the 1,746,813,000 bushels reported by these countries in 1933. The most important revisions during the month were the increase of 10,000,000 bushels in the estimate of the German crop, and 6,000,000 for that of Spain. The revisions for the other countries have been of minor importance.

The estimates of the production in the North African countries have been revised, but these changes have nearly balanced one another and the total is only slightly less than reported last month.

Practically no change has been made in the estimates for the Asiatic countries.

The first official estimate of the area sown to wheat in Argentina for the 1934-35 harvest is 18,483,000 acres. This estimate is 1 percent above the first estimate of 18,285,000 acres in 1933-34 but is 6 percent below the 1933-34 final estimate of 19,662,000 acres. Crop conditions in Argentina are reported good on the whole, according to a recent report of the Argentine Ministry of Agriculture. Those districts having poor prospects are expected to improve since beneficial rains have been received. Though some losses from locust damage are reported, they are considered unimportant in their relation to the total area sown.

The area sown to wheat in Australia is estimated at 12,965,000 acres, which is 13 percent below the 14,966,000 acres reported last year and is the smallest wheat area in Australia since 1927-28 when the area was 12,279,000 acres. The International Institute of Agriculture reported that during August there were general rains in New South Wales, South Australia, and Western Australia. The condition of the crop in these States is good although some damage from weeds is reported in New South Wales and Western Australia and also from frost in Western Australia. Crop conditions in Victoria are poor due to lack of sufficient rain.

The 1934 rye production in 20 European countries is reported at 609,000,000 bushels compared with 712,000,000 bushels in the same countries in 1933 when they represented about 70 percent of the European rye crop exclusive of Russia. The German crop is estimated at 297,385,000 bushels compared with 343,570,000 bushels last year and an average production of 311,832,000 bushels during the years 1929-1933. No official estimate is available for Poland which ranks next to Russia and Germany in production, but reports indicate a decrease compared with last year. The Czechoslovakian crop is also well below last year being estimated at 54,958,000 bushels compared with 82,103,000 bushels in 1933 and 85,660,000 bushels in 1932. The French crop which is estimated at 32,642,000 bushels is nearly equal to last year.

Russian Harvest Falls Behind Last Year 1/

The 1934 harvest in the Soviet Union, which started much earlier this season than last, was lagging behind last year's progress during August, according to an official report of August 20. The total area of winter and early spring sown cereals cut by August 20, 1934, 1933 and 1932, in acres, was 144,000,000, 158,000,000 and 140,000,000, respectively. This year 71 percent of the area sown to winter and early spring cereals was cut by August 20 against 74 percent on the same date of last year. On July 31, 43 percent of this year's area was cut against 30 percent on a comparable date a year ago. The cutting in the southern regions (Crimea, North Caucasus and Ukraine in the western part of the Central Black Soil area) and in White Russia was completed or about completed by August 20, while last year only one region, the Tartar Republic, completed the cutting by that date.

On the other hand, in the consuming area of European Russia, the Volga Basin, and the eastern regions of the Soviet Union, considerable acreage remains to be cut. The late seedings in some of these sections are only partly responsible for the delayed harvest. The middle Volga region, for instance, completed sowing, specified by the plan, this season 5 days earlier than last year, but 14 percent less acreage was cut by August 20 this year. The The Sarotov region (lower Volga area) as a whole had 83 percent of the acreage cut by August 20, while the German Republic of Volga, which constitutes a part of this region, cut 96 percent of the acreage; the neighboring Stalingrad region cut only 71 percent of the acreage.

Of the three types of farms in Russian agriculture, collective, individual, and state farms, the collectives have cut the largest share of their acreage, followed by individual farms and state farms in that order. This year, however, the collectives had cut 73 percent of their acreage up to August 20 against 79 percent last year; individual farms are credited with 71 percent completion this year against 66 percent in 1933; and state farms 60 percent this year against 57 percent last year.

The delayed harvest is likely to increase the loss of grain this year. Considerable losses are reported in the Soviet press as a result of shattering, lodging, and short stand of the crop. The threshing this year, however,

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1/ Based on Soviet press reports and reports from the Berlin office of the Foreign Agricultural Service.

has been much speedier than last year, extending to 51 percent of the acreage up to August 20 against 29 percent last year. The proportion of the crop stacked or removed from the field also is larger than last year, estimated at 72 percent to August 20, 1934, against 38 percent last year. Cut grain, however, was reported as lying in the field on about one fourth of the acreage cut, with only part of it bound or shocked, and subject to moisture damage in a number of regions. The press also has criticized the practice in some areas of leaving threshed grain exposed to damage from rain. In view of the extensive lodging authorities have urged careful raking of the fields.

It is impossible, on the basis of the scattered local reports, to estimate the extent of the harvesting losses already incurred. Taking into consideration the difficult conditions under which this year's crop is being harvested (such as short, weak straw coupled with easily shattering grain, and the rather rainy weather at the time of harvesting) it seems likely that large losses are inevitable. The better pace of stacking and threshing evident this year compared with 1933 will probably tend to offset some of the particularly unfavorable conditions characteristic of this year and may prevent losses from exceeding those of a year ago.

Grain procurements

The satisfactory progress of 1934 grain procurements noted in July continued into August. The plan for that month was 88.5 percent accomplished to August 20. The Central Black Soil area and a number of regions in the grain deficit area of European Russia exceeded the monthly quotas. There was considerable variation in the extent to which procurements from different sources were collected. Receipts from the tax in kind ran highest and were 2 percent above the plan; the payment in kind to the machine-tractor stations for services to the collectives amounted to about 80 percent of the plan; the grain deliveries of the state farms 73 percent. The repayment of grain loans showed the smallest returns - 34 percent of the monthly plan.

At the beginning of August the total procuring plan for the year was reported executed by 50 percent in the case of Ukraine and 90 percent in the case of Crimea. These figures indicate better progress than at the same time a year ago. The early ripening and harvesting of grain was an important factor in the early progress of procurements which may not be maintained at the same rate later on.

Table 1.- Wheat: Production in specified countries, 1931-32 to 1934-35

Country	1931-32	1932-33	1933-34	1934-35 prel.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America				
United States	932,221	744,076	527,978	493,285
Canada	321,325	443,061	269,729	277,304
Mexico	16,226	9,658	12,122	10,346
Total (3)	1,269,772	1,196,795	809,829	780,935
Europe				
England and Wales	35,896	41,253	58,725	61,398
Scotland	1,792	2,240	3,472	3,772
Northern Ireland	106	121	227	- - -
Irish Free State	781	831	1,983	- - -
Norway	592	749	770	1/ 700
Sweden	17,033	26,500	29,204	29,027
Denmark	10,053	10,997	11,545	1/ 10,700
Netherlands	6,751	12,837	15,325	15,623
Belgium	13,817	15,376	15,067	1/ 14,700
France	264,117	333,524	362,330	307,153
Spain	134,427	184,207	138,235	180,042
Luxemburg	406	719	995	797
Portugal	12,999	23,400	16,013	20,486
Italy	244,415	276,922	297,633	2/224,100
Switzerland	4,045	4,001	4,799	1/ 5,000
Germany	155,546	183,830	205,920	160,826
Austria	11,009	12,193	14,615	1/ 13,400
Czechoslovakia	41,232	53,737	72,896	46,995
Greece	11,228	17,067	28,384	31,342
Poland	83,220	49,472	79,883	1/ 49,600
Lithuania	8,335	9,423	8,192	10,766
Latvia	3,388	5,292	6,725	1/ 6,400
Estonia	1,738	2,085	2,450	3,204
Finland	1,121	1,483	2,460	2,792
Malta	277	301	305	3/ 300
Total (23) 4/	1,063,437	1,267,608	1,375,943	1,199,123
Bulgaria	63,831	48,125	58,858	46,518
Hungary	72,550	64,463	96,356	61,692
Rumania	135,300	55,537	119,072	73,486
Yugoslavia	98,789	53,444	96,584	73,486
Total (4)	370,470	221,569	370,870	255,182
Total Europe (27) 4/	1,433,907	1,489,177	1,746,813	1,454,305
Africa				
Algeria	25,649	29,237	31,998	39,738
Morocco	29,783	27,970	28,902	31,232
Tunis	13,963	17,453	9,186	15,800
Egypt	46,073	52,586	39,951	37,276
Cyrenaica	31	2	31	129
Total (5)	115,499	127,248	110,068	124,175
Asia				
Palestine	2,927	1,877	1,633	3,270
Syria and Lebanon	14,209	9,849	12,033	
India	347,424	336,896	352,763	349,365
Japan	30,892	31,336	38,611	43,307
Chosen	8,341	8,576	8,499	9,324

Continued -

Table 1.- Wheat: Production in specified countries, 1931-32 to 1934-35
Cont'd

Country	1931-32	1932-33	1933-34	1934-35 prel.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Asia - Cont'd				
Turkey	104,946	71,135	80,835	91,858
Total (5) 4/	494,530	449,820	482,341	497,124
Total 40 countries 4/	3,313,708	3,263,040	3,149,051	2,856,539
Southern Hemisphere				
Argentina	219,696	235,378	286,120	
Australia	190,612	213,927	174,363	
Union of South Africa	13,713	10,627	10,227	
Total (3)	424,021	459,932	467,590	
Estimated world production excluding Russia and China	3,854,000	3,804,000	3,717,000	
Russia	786,307	744,048	1,018,775	

1/ Estimated in the Berlin office of the Bureau of Agricultural Economics.
2/ Estimated in the Paris office of the Bureau of Agricultural Economics.
3/ Unofficial.
4/ Countries not reporting in 1934 are excluded from the total.

Prices

Wheat price prospects at mid-September are not significantly different from those of last month. Prices rose during early August both in the United States and in world markets but subsequent developments appear to have placed them back on a relatively sound basis considered in the light of prospective supplies. Prices in the United States may be expected to continue to be sensitive to uncertainties as to just what final adjustments will be necessary in view of the rather close balance between supplies on the one hand and prospective utilization plus a normal minimum carry-over on the other. No marked advance or decline in world market prices seems in prospect pending more definite indications as to Russian exports and the outturn of Southern Hemisphere crops. In the more distant future it is to be expected that indications of the rapidity of utilization in importing countries and prospects for winter wheat in the United States may be important market factors.

The United States average farm price of wheat as of August 15 was 89.6 cents per bushel, compared with 78.8 cents in July, and 74.7 cents in August of last year. It is likely that the September 15 farm price will not be greatly different from that of August 15.

There was a general upward trend of market prices from July 9 to August 9. Most of the rise, which amounted to approximately 25 cents per bushel, occurred in two spurts, one of which took place about mid-July and the other during the first part of August. An abrupt decline was registered beginning on the 10th and since mid-August prices have been fluctuating at about 5 to 10 cents per bushel below the peak, approaching levels of late July. At Liverpool the rise which occurred during July and early August was quite similar to that which occurred in the United States markets but more evenly distributed during the period.

Price changes for domestic wheat in the various continental European countries were of little consequence during August, as in many of these countries prices are either fixed or carefully controlled. Considering the short domestic supplies this year, the fixed prices in Germany are relatively low, and in order to obtain grain the Government has required farmers to deliver specific amounts of both wheat and rye. The shortage of grain in Germany this year was confirmed by a recent ordinance of the Government, which permits the duty free importation of wheat, rye, barley, and oats during the remainder of this crop year. Such imports, however, must be made through the Reich Grain Office. In France, on the other hand, the minimum prices seem too high when one considers the huge carry-over of old crop wheat. A satisfactory method for disposing of this wheat has not yet been found. In Czechoslovakia, where a grain monopoly was established last month, present prices are about the same as free market prices which prevailed just prior to the establishment of the monopoly, but considerably higher than last year's prices. Production this year, however, is much below that of last year. Prices of domestic wheat in Italy and Austria have been almost unchanged for several weeks. There is an underlying firmness to prices in both of these countries, however, as each will be definitely in need of considerable imports this year - a fact which makes their import tariffs effective.

Table 2.- Wheat: Closing prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	122	113	116	109	120	118	95	93	92	101	4/72	4/78
Low 3/	85	89	80	83	82	90	67	79	69	77	4/55	4/57
Aug. 18	92	105	86	102	90	112	69	86	70	90	4/56	4/69
25	93	105	88	102	90	111	71	88	74	92	4/58	4/71
Sept. 1	90	104	84	102	86	110	69	84	73	91	4/58	4/68
8	85	107	80	105	82	114	68	88	71	91	4/58	4/67

1/ Conversions at noon buying rate of exchange. 2/ Prices are of day previous to other prices. 3/ July 1 to date. 4/ October futures.

Table 3.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 1/ Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	108	119	106	109	114	123	120	152	108	105	86	95
Low 3/	86	89	84	88	87	97	95	110	86	89	71	74
Aug. 18	90	114	84	106	90	120	95	132	86	100	71	87
25	90	117	86	107	89	119	103	145	88	102	74	88
Sept. 1	89	118	86	106	89	118	102	148	87	102	75	88
8	86	119	84	108	87	121	95	152	86	105	71	89

1/ Hard amber durum 1934. 2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery. 3/ July 1 to date.

Table 4.- Wheat: Price per bushel at specified markets, in terms of United States currency, by weeks, July - September 1934

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/ 7/	Paris 6/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July 7	87.9	97.5	71.5	53.7	70.4	74.4	210	240	189
14	89.9	101.6	75.4	55.6	72.9	74.2	210	240	191
21	99.3	102.7	80.4	58.7	77.3	72.0	210	198	191
28	99.9	114.0	81.1	60.3	79.7	68.6	210	197	191
Aug. 4	104.1	116.7	84.4	66.1	88.2	67.4	212	199	191
11	109.2	123.3	89.1	73.5	94.9	67.9	214	200	195
18	105.7	120.0	83.0	69.0	88.1	69.3	216	201	193
25	106.5	119.4	81.6	69.8	89.2	71.5	212	202	201
Sept. 1	105.9	118.2	77.8	67.4	87.0		212	202	206
8	107.9	120.5	79.5	65.2	85.9				
15	108.7	123.5	80.8	64.4	85.2				
22	106.8	120.5	79.0		80.4				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter. 2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern 4/ Near futures.
5/ Home-grown wheat in England and Wales. 6/ Domestic
7/ To August 15 fixed flour mill purchase price, from August 16, Central German wheat, wholesale trade price free Central German station.

Estimated European Import Requirements

Net imports of wheat by European countries outside the lower Danube Basin, for the 1934-35 year are provisionally estimated by the Department to be around 450,000,000 bushels as compared with about 386,000,000 bushels during the past year. These large amounts appear likely in spite of efforts of various countries to hold their imports to a minimum. The increased import requirements this year are the result of production being much smaller than the very large crop of last year. The production this year, estimated at about 290,000,000 bushels less than last year, is only partly offset by a larger carry-over, which is estimated at about 60,000,000 greater than last year. In addition to a shorter wheat crop, rye production in Europe, outside of Russia, may be around 140,000,000 bushels less than last year.

The provisional estimates for each country are given in Table These must of necessity include a range of possibilities, because of the uncertainties involved. Many countries will find it financially difficult to import as large quantities as desired. Reciprocal trade agreements will likely be a significant factor in determining final amounts. In some cases rye will be substituted for wheat and milling extractions increased.

Estimated net imports by the United Kingdom are likely to be around 214,000,000 bushels. The net imports of France, when allowance is made for a 3-month lag in recorded imports for consumption, may be around 16,000,000 bushels. A French estimate at this time is difficult, however; as some French wheat may be exported if world prices should be high enough to warrant. Belgium may take a net of around 42,000,000 bushels. While imports into Germany may not be absolutely necessary, a certain amount of high-grade foreign wheat is wanted for milling purposes. Furthermore, it is reported that much of Germany's large reserves is fit only for feed. The actual amount of wheat which will be imported will depend in part, on whether or not Germany can conclude favorable exchange agreements, and it is conceivable that net imports may be 7,000,000 bushels if not more. Net imports by the Netherlands may be around 25,000,000 bushels. Theoretically, Italy has a large deficit this year, probably 55,000,000 bushels, but imports may fall far short of this figure, and are likely to amount to only about 40,000,000 bushels.

Sweden had a large carry-over of wheat, a considerable part of which is presumably fit only for feed. Some of this carry-over, moreover, has already been exported and the situation is rather uncertain. With the short crop in both wheat and rye, Poland is likely to import some wheat this year.

Table 5.- Estimated net imports (and exports) of wheat and flour, 20 European countries, 1933-34 and 1934-35

Country	Estimated net imports or exports (-) 1933-34	Preliminary estimate of net imports 1934-35
	Million bushels	Million bushels
United Kingdom.....	216	212 - 216
France 1/.....	16	13 - 18
Belgium	41	41 - 43
Netherlands	24	24 - 26
Italy	9	37 - 43
Greece	12	10 - 12
Switzerland	18	17 - 19
Irish Free State....	2/ 18	16 - 18
Germany	- 4	5 - 9
Denmark	12	12 - 15
Austria	11	11 - 14
Czechoslovakia.....	3/	11 - 15
Norway	9	8 - 9
Sweden	2	1 - 3
Spain	3/	- - 0
Finland	4	4 - 5
Portugal.....	0	- - 0
Latvia	0	- - 0
Estonia	0	0 - 1
Poland	- 2	2 - 4
Total (20).....	386	424 - 470

1/ With lag of three months behind official dates. 2/ Official report not available for entire year. 3/ Net exports of less than 500,000 bushels.

United States Wheat Flour Supply and Distribution

There appears to be a slight downward trend in the per capita consumption of wheat flour of the United States, but total flour consumption for the country has apparently been maintained or even somewhat increased during the past 10 years. The decline in the apparent consumption of flour per capita is very much less rapid than that which occurred during the war years. Just before the war flour disappearance in the United States was slightly over 1 barrel per capita, and during and immediately after the war it declined to approximately .9 of a barrel. There was a slight increase during the early 1920's but subsequently a very gradual decline appears to have set in, and at the present time normal per capita consumption appears to be .87 or .88 barrels.

The disappearance of wheat flour during 1933-34 was considerably smaller than in any other of the past 10 years and slightly smaller than in 1923-24. The disappearance, however, probably was less than the actual consumption for 1933-34 because unreported flour stocks which had been built up prior to the advent of the processing tax appear to have been reduced during the year. On a per capita basis the apparent consumption (disappearance) was smaller than for any previous year for which data are availble, amounting to only .81 barrel per capita, compared with an average of .90 barrel for the preceding 10 years. Actual flour consumption during the year was probably about .86 barrel per capita.

Detailed figures of the supply and distribution of flour are given in the two accompanying tables. Table 6 shows figures for the census years 1879 to 1931 inclusive. From this table it will be noted that in 1879 the disappearance of flour was approximately 1.16 barrels per capita. There was a gradual decline to 1.15 in 1889 and 1.13 barrels in 1899. In 1909 per capita consumption was only 1.07 barrels - a somewhat more rapid decline than that of the two previous decades. By 1921, however, disappearance had fallen to only .9 of a barrel per capita.

As shown by Table 6, there was more of a decline in flour disappearance from 1919 to 1921 than there was from 1909 to 1919. Other data, however, suggest that the principal decline in actual flour consumption occurred during, rather than following, the war. Flour production during 1919 was at an unusually high level, and indications point to an accumulation of stocks in unrecorded positions during that year. The result was that the disappearance into consumption and unrecorded stocks was presumably considerably larger than actual flour consumption in 1919. Probably total consumption of flour during the year was only about 100,000,000 barrels instead of 106,000,000 and the per capita consumption only about .95 barrel in place of 1.01 barrels.

Since 1923 it is possible to make fairly reliable estimates of the supply and distribution of flour by crop years. Detailed data showing these estimates for each of the crop years 1923-24 to 1933-34 inclusive are shown in Table 7. It will be seen from this table that the per capita disappearance was slightly over .90 barrel for each of the years 1923-24 to 1928-29 inclusive, whereas for each of the subsequent crop years the per capita disappearance figure has been below .90 barrel.

It is to be emphasized, however, that the year-to-year variations in the per capita disappearance cannot be relied upon as indicating similar year-to-year variations in the actual flour consumption. Flour can very readily be stored over considerable periods of time and only fragmentary data are available concerning flour stocks. The Bureau of the Census obtains fairly complete data on mill stocks of flour, and it is possible to obtain somewhat more complete estimates by making some allowance for the mills which do not report their stocks to the Bureau of the Census. This has been done in arriving at the estimates of flour stocks for 1925-26 and subsequent years. Prior to 1925-26, however, only what may be termed commercial stocks of flour, as reported by the Chicago Daily Trade Bulletin, are used. In no case do the data include stocks in the hands of retailers, and only part of the stocks of wholesalers and jobbers is included.

In most years the fragmentary nature of the stocks data does not present a serious obstable to fairly accurate estimates of flour consumption. However, when unusual circumstances affect flour stocks held by retailers and wholesalers, the disappearance figure may, as a result, be considerably different from the actual consumption. Apparently there was an unusual accumulation of flour stocks in unreported positions during the spring and early summer of 1933 prior to the application of the wheat processing tax. Flour millings were at an unusually high level during the spring of 1933 and at an unusually low level during the late summer and fall of the year, yet reported flour stocks as of July 1, 1933 were not unusually large. The accumulation of stocks in unreported positions was presumably due in part to the attempt to avoid payments of the processing tax, but also to the fact that flour prices rose very rapidly during the spring and early summer of 1933. Under these circumstances it was natural for retailers, bakers, and householders to attempt to buy before prices rose higher.

A more detailed discussion of the evidence indicating an increase in unreported stocks prior to the beginning of the processing tax may be found in the February and March 1934 issue of World Wheat Prospects, pages 12 to 25. The same discussion includes an explanation of the method used in arriving at the flour production estimates which are included in the supply and distribution Table 7. A slight revision has been made in the estimates of flour production for the months July 1933 on. Previously it was assumed that the decline in the percentage of total merchant mill flour production represented by mills reporting monthly to the Bureau of the Census, which was in evidence from 1929 to 1931, was continuing at the same rate since 1931. The revision, however, assumes that there has been no decline since July 1933, and that for that month and subsequent months currently reported production of merchant mills represents 90 percent of the total production of all merchant mills. This has been done because available evidence suggests that the forces causing a decline in the completeness of the Bureau of the Census reports may no longer be in operation.

The most recent estimates of wheat ground and of wheat flour production by mills in the United States, monthly, from July 1923 to June 1934, are given in Tables 8 and 9. These estimates include the amount of foreign wheat milled, as well as the milling of domestic wheat. They include both the wheat ground for domestic use and that ground into flour for export. It will be noted that flour production for the

3 past crop years has been below that of most of the earlier years. This is due largely to the reduction in flour exports. With prices of wheat above an export basis during most of the past few years, it has become increasingly difficult for American millers to compete in foreign flour market except insofar as they have been able to do so by grinding Canadian wheat in bond. The result has been a decline in flour exports and in flour production in spite of the fact that total flour consumption in the United States has apparently been well maintained.

Further revision of the flour production estimates is to be expected when the results of the 1933 Census of Manufactures are available. Pending such time, however, no very satisfactory evidence is likely to be available indicating the effect of the processing tax upon flour consumption. If the estimates used in preparing Tables 6 and 7, flour supply and distribution, are correct, it would seem likely that there has been a very small decline in flour consumption in the past year which may be attributed to the processing tax, a decline amounting to perhaps 2 or 3 percent. The flour production estimates, however, can not be considered to be accurate to such a degree--pending at least the time when they can be revised in the light of the 1933 Census of Manufactures. Even then it will be very difficult to estimate total flour production satisfactorily. No census data on purely custom flour mill production have been available since the Census of Manufactures of 1919, and estimates of custom mill production must be based upon other evidence not well suited to the purpose. Undoubtedly custom grinding of flour has been greatly increased since the processing tax was put into effect. Indeed, it had presumably increased to a considerable extent early in the depression because the percentage decline in wheat prices was much greater than in flour prices. This tended to increase the decentralization of flour milling and hence to increase the proportion of the flour output produced by small mills and the proportion produced by custom mills. With the advent of the processing tax, however, the amount of wheat ground by custom mills and by the small hand or power operated grist mills on farms or in homes has undoubtedly increased, but the extent of the increase is very uncertain.

Table 6.-Wheat flour: Supply and distribution, census years, 1879-1931

Year	Supply: On hand Jan. 1 1/	Supply: Output 2/: Merchant mills	Supply: Output 2/: Custom mills	Supply: Output 2/: Total all mills	Supply: Imports 3/	Supply: Total supply	Distribution: Exports 3/	Distribution: Re-exports and shipments to Alaska, Hawaii, and Porto Rico 3/	Distribution: On hand Dec. 31 1/	Distribution: Disappearance	Distribution: Per capita disappearance 4/: Bbls. flour	Distribution: Per capita disappearance 4/: Bush. wheat
	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	Bbls. flour	Bush. wheat
1879	---			62,840	15	62,855	6,125	---	---	56,730	1.1556	5.43
1889	2,102			80,949	1	83,052	10,451	---	1,857	70,944	1.1484	5.40
1899	1,654	99,764	3,760	103,524	1	105,179	13,717	---	1,605	84,857	1.1345	5.33
1904	1,776	104,013	1,352	105,365	26	107,167	11,543	385	2,218	93,021	1.1261	5.29
1909	1,701	105,756	1,352	107,108	113	108,922	9,688	524	1,907	96,803	1.0674	5.02
1914	2,385	116,404	1,352	117,756	79	120,220	12,769	517	2,596	104,338	1.0655	5.01
1919	1,592	132,466	1,205	133,671	17	135,280	26,450	622	2,158	106,050	1.0100	4.75
1921	2,170	112,346	969	113,315	966	116,451	16,801	562	2,024	97,064	0.8970	4.22
1923	2,293	115,939	923	116,862	268	119,423	16,310	624	2,406	100,083	0.8973	4.22
1925	2,035	115,600	884	116,484	11	118,530	11,119	596	1,993	104,822	0.9126	4.29
1927	7,005	118,751	824	119,575	5	126,585	12,823	604	6,957	106,201	0.8985	4.22
1929	7,098	122,368	637	123,005	2	130,105	13,663	622	8,535	107,285	0.8828	4.15
1931	7,361	117,437	1,069	118,506	---	126,167	9,654	592	5,962	109,959	0.8863	4.17

1/ Chicago Daily Trade Bulletin, "World Available" supply table. 1927 to date Bureau of Census stocks included.

2/ Based on Census of Manufactures. All merchant mill figures are as reported by the Census, except that for the years 1921 to date prepared flour production of establishments not classified in the milling industry is excluded from the census totals, but included here. The figures used for the production of prepared flour outside the industry are those reported by the Census for the years 1925 to date, whereas for 1921 and 1923 they are rough estimates. Custom mill output is as given by the Census for 1909 and 1919, while for 1899 it represents the difference between all mills and merchant mills as given in the 1910 Census of Manufactures. For 1904 and 1914 the reported custom mill output of 1909 is used. For 1921 and subsequent years custom mill output is as estimated by the Bureau of Agricultural Economics (see World Wheat Prospects, No. 94-95, March 1934, pp. 12-25).

3/ Monthly Summaries of Foreign Commerce of the United States, December 1910, 1915 and 1925, and Foreign Commerce and Navigation of the United States, 1919, 1921, 1923, 1925, 1927, 1929 and 1931.

4/ Barrels of flour converted to bushels of wheat at rate of 4.7 bushels (uncleaned wheat) per barrel of flour.

Table 7.-Wheat flour: Supply and distribution, crop years, 1923-24 to 1933-34

Crop year	Supply: On hand beginning of year 1/	Supply: Output 2/	Supply: Imports 3/	Supply: Total supply	Distribution: Exports 3/	Distribution: Re-exports and shipments to Alaska Hawaii and Porto Rico 3/	Distribution: On hand end of year 1/	Disappearance: Total	Disappearance: Per capita: Barrels of flour	Disappearance: Per capita: Bushels of wheat
	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels		
1923-24	2,233	119,439	139	121,841	17,253	624	2,046	101,918	0.8070	4.26
1924-25	2,046	118,380	7	120,633	15,896	596	1,915	104,326	0.8149	4.30
1925-26	3,517	116,432	17	121,966	4,542	578	5,484	106,362	0.8193	4.32
1926-27	5,484	122,236	6	127,726	13,335	646	5,799	107,896	0.8193	4.32
1927-28	5,799	121,096	6	126,901	12,821	562	5,814	107,704	0.8049	4.25
1928-29	5,814	123,943	5	129,760	12,383	363	6,904	109,505	0.8056	4.26
1929-30	6,904	122,370	2	129,276	12,694	623	8,130	108,029	0.8829	4.15
1930-31	8,130	119,491	1	127,622	11,726	591	4,475	110,830	0.8965	4.21
1931-32	4,475	116,740	---	121,215	8,557	579	4,911	107,368	0.8623	4.05
1932-33	4,911	115,643	---	120,554	4,324	631	4,719	110,880	0.8856	4.16
1933-34	4,719	107,139	1	111,859	3,873	881	5,350	101,755	0.8072	3.79

1/ For 1923-24 and 1924-25 from Chicago Daily Trade Bulletin (from "World Available" supply tables); 1925-26 to date includes in addition mill stocks as estimated by Bureau of Agricultural Economics from reports of the Bureau of the Census.

2/ As estimated by the Bureau of Agricultural Economics, see "World Wheat Prospects", February and March 1934, pp. 12-25.

3/ From reports of Foreign and Domestic Commerce of the United States.

Table 8.-Wheat: Estimated total ground by merchant and custom flour mills in the United States, by months, 1923-24 to 1933-34

Season beginning July	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	10-year average 1923-24 to 1932-33
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	41,056	44,514	45,655	48,730	42,212	42,760	45,801	47,351	49,855	40,093	43,292	44,803
Aug.	50,526	51,461	48,040	52,802	48,244	51,476	54,212	51,646	48,859	46,140	35,296	50,541
Sept.	51,338	54,167	51,305	54,570	52,603	51,813	50,901	53,569	49,080	47,970	39,554	51,758
Oct.	58,014	58,668	55,757	53,682	54,364	57,019	54,011	54,197	52,318	47,866	42,898	54,609
Nov.	49,748	47,443	47,442	48,457	48,954	48,776	47,061	46,112	49,902	44,517	43,561	47,841
Dec.	43,088	45,652	46,555	44,843	46,424	45,456	44,046	44,937	41,036	42,508	38,338	44,454
Jan.	47,646	50,786	45,159	43,338	46,615	49,196	47,050	46,309	41,222	41,364	45,336	45,874
Feb.	44,592	42,527	38,563	40,276	45,289	44,343	43,530	41,351	38,871	37,126	40,932	41,647
Mar.	44,135	57,794	42,359	44,930	49,194	45,065	46,343	43,783	42,828	45,656	43,528	44,209
Apr.	40,545	34,969	39,210	41,799	42,891	42,309	45,062	42,724	41,635	47,782	38,936	41,893
May	41,657	35,841	38,517	42,742	43,858	45,761	44,539	40,382	39,219	45,388	42,135	41,790
June	41,176	39,928	41,368	42,876	39,085	43,679	43,294	39,267	39,768	44,415	39,206	41,486
Total	553,573	543,750	540,128	559,295	559,733	567,653	565,850	551,633	534,593	530,825	492,012	550,703

Division of Statistical and Historical Research. Estimates are based on monthly reports of the Bureau of the Census, the biennial censuses and Bureau of Agricultural Economics' data relating to custom milling.

Table 9.-Wheat flour: Estimated total production of merchant and custom mills in the United States, by months, 1923-24 to 1933-34

Season beginning July	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	10-year average 1923-24 to 1932-33
	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels
July	8,927	9,590	9,922	10,496	9,180	9,202	9,965	10,243	10,818	8,703	9,344	9,705
Aug.	11,019	11,141	10,419	11,568	10,515	11,196	11,814	11,170	10,615	10,022	7,665	10,948
Sept.	11,146	11,830	11,132	11,990	11,437	11,338	11,091	11,572	10,710	10,465	8,628	11,271
Oct.	12,532	12,851	12,004	11,799	11,804	12,484	11,739	11,738	11,452	10,461	9,365	11,886
Nov.	10,721	10,374	10,204	10,602	10,613	10,667	10,217	9,976	10,901	9,731	9,202	10,400
Dec.	9,270	9,992	9,993	9,825	10,057	9,968	9,548	9,755	8,990	9,298	8,372	9,670
Jan.	10,211	11,109	9,682	9,502	10,056	10,759	10,206	10,038	9,033	9,033	9,888	9,963
Feb.	9,592	9,293	8,280	8,830	9,755	9,688	9,435	8,977	8,502	8,077	8,921	9,043
Mar.	9,496	8,271	9,228	9,825	10,611	9,873	10,050	9,511	9,386	9,935	9,481	9,619
Apr.	8,724	7,628	8,441	9,126	9,223	9,251	9,763	9,269	9,077	10,428	8,474	9,093
May	8,960	7,303	8,242	9,324	9,441	9,989	9,675	8,755	8,579	9,853	9,188	9,062
June	8,841	8,698	8,885	9,349	8,399	9,528	9,367	8,487	8,677	9,637	8,521	8,987
Total	119,439	118,580	116,432	122,236	121,096	123,943	122,870	119,491	116,740	115,643	107,159	119,647

Division of Statistical and Historical Research. Estimates are based on monthly reports of the Bureau of the Census, the biennial censuses and Bureau of Agricultural Economics' data relating to custom milling.

The Continental European Wheat Market Situation during August 1/

During the first half of August, continental wheat markets experienced an active business in foreign wheat, particularly in Belgium and Holland. On the other hand, trading in domestic wheat was quiet. Business in foreign wheat was apparently stimulated by the strong rise in prices on overseas markets as well as on all importing markets more or less free from governmental restrictions. During the second half of August, prices fell in sympathy with the overseas developments and import buyers assumed a very cautious attitude.

Germany

Under the new grain legislation fixing prices of all grains, trading on the German markets has been quiet and of a hand-to-mouth character. Wheat prices were fixed, effective August 16, 1934 with rye prices a month earlier. The new grain legislation which prescribed also a reduction in the permissible admixture of foreign wheat, and an increase in the minimum extraction of rye flour, necessitated certain provisions in regard to the qualities of wheat and rye flour produced. Ordinances which were dated August 8, 1934, accordingly, provided for a new type of wheat flour, the so-called dark wheat bread flour, described as type No. 2,000, with an extraction of from 65 to 78 percent. This flour type may be sold at a discount of 18 cents per 100 pounds below the basic quotations. At the same time, previous regulations permitting the production and sale of two types of wheat flour, one containing 15 percent foreign wheat and the other 30 percent, were canceled. From now on the admixture of foreign wheat has been limited to 10 percent and 20 percent in these two types. The new grain legislation of July 14, 1934, increasing the extraction of rye flour also, necessitated certain changes in the types of rye flour produced.

According to an announcement by an official of the Ministry of Agriculture on August 17 the price of rye bran was fixed at 62.5 percent of the rye price and the price of wheat bran at 57.5 percent of the wheat price, free at producer's plant. While these prices are not as yet officially in force, they are expected to be in the immediate future. These bran prices, moreover, were announced as maximum prices and may be lowered by the leader of each State Peasantry - a political district, which conforms to state lines except in the case of Prussia which contains a number of Peasantries. Flour millers will also be permitted to accept lower prices if they should find it desirable to do so in order to improve their competitive position. It is further planned to fix prices for other feedstuffs, such as sugar, beet pulp, molasses and fish and meat meals. Oil cake prices are now under compulsory regulation.

An ordinance issued August 9, mentioned in the last issue of World Wheat Prospects, permitted duty-free importation of wheat, rye, barley and oats for the period August 15, 1934 to July 31, 1935, provided such imports are made through the Reich Grain Office. This ordinance is very important in that it provides the government with the technical possibility of importing as much grain as may be necessary because of this year's short domestic supplies. At the same time the government is provided with a strong instrument in negotiating with those countries from which such grain supplies may be obtained.

1/ Based on reports of Donald F. Christy, Assistant Agricultural Attache, Berlin, Germany, August 27, 1934 and Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia, August 22, 1934. All price quotations have been converted at current exchange rates.

The German-Polish Rye Agreement was prolonged for another year beginning August 1, 1934 and amended to include wheat and wheat flour. It was originally designed mainly to prevent competitive weakening in prices of German and Polish rye. It is, of course, of no consequence whatever to Germany at the present moment, because of the virtual export prohibition existing. It was reported in the German press that in the trade treaty recently concluded between Germany and Yugoslavia, Germany arranged for a preferential purchase of 625,000 bushels of Yugoslavian wheat to be delivered by the Privileged State Export Company of Belgrade.

Holland and Belgium

During the first half of August, active trading and large takings of Manitoba and particularly Argentine wheat were reported from the Dutch and Belgian markets, but, as a result of the weak and uncertain overseas markets, business during the second half of the month was much reduced.

Greece

The two successive bumper crops of 1933 and 1934, according to Mr. K. L. Rankin, United States Commercial Attache at Athens, may reduce import requirements to the minimum of 11,000,000 bushels agreed to by Greece at the London conference.

Austria

August activity on the Austrian wheat and flour markets was limited and quiet. Prices were nominally unchanged. The tone of the market, however, was favorable during the first part of the month, because of the stimulating influence of overseas developments. During the second half of the month, business slowed down as domestic offers were reduced and prices for Hungarian wheat were too high. It is said that the reluctance of the Austrian flour mills to buy Hungarian wheat was due to the fact that Hungarian prices, even during the second half of August, were still from 5 to 10 cents per bushel higher than the price stipulated in the agreement with Hungary, which was apparently set at $1.04 per bushel.

A reduction in the rye import tariff was recently rumored inasmuch as the government is said to desire the stabilization of rye prices at $1.21 per bushel. This action would prevent an increase in bread prices.

Denmark

During the first half of August, prices for domestic and foreign grain have risen considerably so that the grain tax has practically been done away with. It will be recalled that this tax was to assure a certain level of inland prices for both foreign and domestic grain, and this level has now apparently been reached.

Czechoslovakia

Business in grains under the new monopoly regulation was quiet during August. The monopoly administration has now published figures on the extent of its market supporting stocks of wheat and rye available in August, the beginning of the new campaign. According to these statements, the monopoly's stocks of wheat on August 1, 1934, amounted to 6,981,000 bushels as compared

with a peak of 8,818,000 bushels during the 1933-34 campaign, and stocks of rye on that date were 7,283,000 bushels compared with a peak of 9,291,000 bushels reached on May 16, 1934. In order to dispose of these stocks within a reasonable period of time, the grain monopoly prescribed that permission to mill new crop wheat and rye will be granted only to those mills that also purchase wheat and rye of old crop monopoly stocks. It is provided that for a certain period old crop monopoly grain must be taken to the extent of two carloads for each carload of new crop grain.

Beginning August 1, the milling extraction for rye was increased to 70 percent compared to the customary 65 percent. Reports indicate that considerable imports of hay have been made from the Netherlands, which may be regarded as a further confirmation of the feed shortage in Czechoslovakia this year.

The grain monopoly administration is reported to have purchased from Yugoslavia 2,205,000 bushels of wheat, to be delivered in lots of 367,000 bushels at a time. Recent rumors indicate that an agreement has been reached between the Czechoslovakian monopoly administration and the Yugoslavian Privileged State Produce Export Company, according to which Czechoslovakia will purchase, at favorable prices, half of the total Yugoslavian wheat surplus. These developments are of considerable interest as indicating the field of activity covered by the monopolies, and the tendency to confine international trade to a simple and straight exchange of goods. Future trade negotiations must be carried on not only between governments, but must include also agreements with existing monopolies.

Poland

Firm grain prices prevailed at the end of July and early August, but later, as a result of large offers, especially of rye, prices moved downward. As a result of the unfavorable grain harvest this year, it is expected that Poland will have to import some wheat, and may not release much rye for export. Exports of wheat and rye can be made at the present time only through the State Grain Industry Works. Beginning August 1, export premiums for oats were raised from 11 to 16 cents per bushel as compared with 29 cents for rye, 31 cents for wheat and 25 cents for barley.

Danube Basin

Exporters in Danubian countries preferred to refrain from exporting large quantities of wheat during July and August due to variations in prices on world markets. July exports total approximately 22,000 bushels and August exports 1,066,000 bushels. Exports during July 1933 totaled 893,000 bushels and during August 2,146,000 bushels. It is believed that exports on a reasonably large scale will begin by September 1, especially from Hungary and Yugoslavia.

Exports from Hungary to Austria on the basis of the Rome agreement 1/, began in August, but only relatively small quantities of high grade wheat were demanded by Austrian importers and millers for mixing purposes, whereas usual Hungarian wheat was scarcely in demand. It is expected that sufficient demand for such wheat will develop during next fall, when domestic stocks of similar quality will be depleted in Austria. The situation is similar

1/ Described in World Wheat Prospects, July 23, 1934, pages 15 - 17.

as regards deliveries of Hungarian wheat to Italy on the basis of the Rome agreement 1/. It is furthermore reported that Swiss importers are interested in buying about 367,000 bushels of Hungarian wheat for delivery in the very near future. Germany is also trying to obtain 1,102,000 bushels of Hungarian wheat, but the Hungarian Government has not yet authorized the conclusion of a pertinent agreement, because existing surpluses must be used in the first place for filling the Austrian and Italian quotas 1/, and exports to other countries will not be permitted unless the existence of further surpluses can be substantiated.

Exports from Yugoslavia to Austria and Czechoslovakia have not yet begun. Information received from the Priviledged Export Company is to the effect that exports to these two countries and to Germany will begin in September. The Company has recently sold 625,000 bushels of wheat to Germany for delivery before the end of September. Another 2,205,000 bushels have been sold to Czechoslovakia, for delivery in monthly parcels of 551,000 bushels beginning with September 1.

Rising world markets and considerable sales abroad have brought about firm prices on Danubian markets. Only Yugoslavian August quotations run slightly below the July level, as a consequence of large arrivals at markets. In Hungary and Rumania farmers show considerable reluctance to sell wheat.

The Rumanian Government has opened an unlimited credit to the Government Wheat Commissioner for stabilization purchases. The purchase price amounts to $1.20 per bushel of wheat weighing 58 pounds per bushel, containing 5 percent foreign matter, f.o.b. any inland railway station. Premiums are paid for better grades, whereas poorer qualities are refused.

Danube Basin - rye

The 1934-35 export surplus of rye is still forecast at only about 1,000,000 bushels as compared with 6,500,000 bushels exported from July 1, 1933 to June 30, 1934, and with 6,000,000 bushels the average yearly exports during 1928-29 to 1932-33. It is believed that actual exports will be considerably smaller than the existing surplus - all of which is in Hungary - on account of this year's relatively small wheat crop, the existence of protected markets for Hungarian wheat, and the suspension of the grain-ticket system in Hungary. This assumption is supported by considerable price increases in Hungary during August combined with farmer's unwillingness to deliver rye to markets, and with miller's keen demands.

No rye was exported during July. Exports during August are estimated at about 295,000 bushels, all of which are from Hungary. This quantity represents the total of rye purchases made in Hungary by the Austrian Union of Agricultural Cooperatives on behalf of the Austrian Government. The rye bought in Hungary was used by the Austrian Government for the making and distribution of cheap bread among the poor. The price paid by Austrian importers for Hungarian rye during the latter part of August was

1/ Described in World Wheat Prospects, July 23, 1934, pages 15 - 17.

$1.03 per bushel, f.o.b. Austrian frontier. It is probable that exports of Hungarian rye will decline in September and the fall months, and will not revive until next spring when domestic stocks in Austria will be depleted.

As a result of keen demand from Austrian importers, domestic millers and small local speculators, who bought rye for storing until next spring, prices on the Budapest Exchange (Hungary) increased from the July average of 51 cents 1/ per bushel to 67 cents 1/ per bushel. Rumanian rye prices have also increased on account of keen demand for home consumption, whereas in Bulgaria the monopoly price of 73 cents 1/ per bushel continued to be valid.

Turkey

Probable wheat exports from Turkey during 1934-35 are now forecasted at about 3,674,000 bushels. On account of crop failures in overseas countries, distant markets show interest in Turkish wheat. Thus Switzerland has recently purchased for the first time, 367,000 bushels of wheat in Turkey.

The Oriental Wheat and Flour Market 2/

Shanghai wheat and flour prices remained steady during early September. Domestic wheat arrivals were smaller in volume and Shanghai stocks of unsold wheat less. Mills at the middle of the month had fully a 2 months' supply on hand and showed no interest in foreign wheat. The Shanghai mills continued to operate near full capacity. Their flour stocks in mid-September were estimated at 1,000,000 bags which is considered a normal supply. Flour demand from most sections was reported to be dull.

Tientsin flour production in August amounted to 120,000 barrels. Imports of flour amounted to 404,000 barrels of Shanghai with no foreign. Total stocks August 31 were 415,000 barrels.

Shanghai wheat c.i.f., duty included, was quoted at 84.75 cents per bushel for Argentine September bulk shipment and 84.75 cents per bushel for Australian New South Wales; 69.05 cents per bushel for domestic standard September delivery and 72.19 cents for October delivery. Shanghai flour was quoted at 82.65 cents per 49-pound bag, September delivery and 83.70 cents October delivery.

1/ Converted at the actual rate of exchange including official and private currency premiums.

2/ Cable from Mr. O. L. Dawson, Agricultural Commissioner, Shanghai, China, September 14, 1934.

Table 10.-Wheat: World supply, price and disappearance, 1921-22 to 1934-35

Year	Production						
	United States	Canada	Argentina	Australia	Europe 1/	All other 2/	World production 2/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1921-22	819	301	191	129	1,224	515	3,179
1922-23	847	400	196	109	1,045	606	3,203
1923-24	759	474	248	125	1,257	656	3,519
1924-25	840	262	191	165	1,058	610	3,126
1925-26	669	395	191	115	1,397	613	3,380
1926-27	834	407	230	161	1,216	647	3,495
1927-28	875	480	282	118	1,274	642	3,671
1928-29	913	567	349	160	1,410	594	3,993
1929-30	822	305	163	127	1,451	703	3,571
1930-31	890	421	232	214	1,361	732	3,850
1931-32 3/	932	321	220	191	1,436	754	3,854
1932-33 3/	744	443	235	214	1,492	676	3,804
1933-34 3/	528	270	286	174	1,750	709	3,717
1934-35 3/	493	277			1,460		

Year	Shipments from Russia	Stocks accounted for July 1 4/	Total supply	Total disappearance	Average price per bushel: British parcels (simple average)	Average price per bushel: No.2 Hard Winter at Kansas City (weighted average)
	Million bushels	Million bushels	Million bushels	Million bushels	Cents	Cents
1921-22	5/	309	3,488	3,195		120
1922-23	1	293	3,497	3,185	136	113
1923-24	21	312	3,852	3,505	121	105
1924-25	6/	347	3,473	3,191	179	135
1925-26	27	282	3,689	3,401	170	163
1926-27	49	288	3,832	3,496	164	135
1927-28	5	336	4,012	3,590	154	135
1928-29	6/	422	4,415	3,798	129	112
1929-30	7	617	4,195	3,612	131	120
1930-31	112	583	4,545	3,877	80	76
1931-32 3/	72	668	4,594	3,898	59	47
1932-33 3/	19	696	4,519	3,735	54	51
1933-34 3/	34	784	4,535	3,796	69	88
1934-35 3/		739				

1/ Excludes Russia.
2/ Excludes Russia and China.
3/ Preliminary.
4/ Estimates of stocks represent carry-over in the United States and supplies available for export and carry-over in Argentina, Australia and Canada, the United Kingdom port stocks and supplies afloat.
5/ Not available.
6/ Less than 500,000 bushels.

Table 11.-Continental European stocks of wheat, July and August, 1933 and 1934

Position	1933 July	1933 Aug.	1934 July	1934 Aug.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Antwerp 1/	2,388	2,116	2,359	1,668
Rotterdam 1/	2,939	2,774	1,727	1,764
Wheat stocks 12 principal continental ports (includes above two ports) 1/	6,789	6,746		
Berlin (wheat and flour) 2/	1,725	1,584	2,576	
Hamburg (rough estimate) 1/	625	551	404	367
Bremen and Brake 1/	51	0	92	55
German farm stocks 2/	15,175	1/ 2,278	8,231	3,895
German "second-hand" stocks (wheat and flour) 2/ 3/	22,932	18,816	50,687	4/47,821
Swedish mill stocks of wheat	3,373	2,846	3,673	

1/ Middle of month. 2/ First of month. 3/ In warehouses and flour mills. These totals are estimated to include 95 percent of all the stocks in warehouses and flour mills, and therefore must contain most of the Berlin, Hamburg, and Bremen-Brake data. 4/ Preliminary.

Table 12.-Wheat, including flour: Shipments from principal exporting countries as given by current trade sources, 1932-33 to 1934-35

Country	Total shipments 1932-33	Total shipments 1933-34	Shipments 1934 week ended Aug. 25	Shipments 1934 week ended Sept. 1	Shipments 1934 week ended Sept. 8	Shipments July 1-Sept. 8 1933	Shipments July 1-Sept. 8 1934
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 1/	298,504	220,616	4,864	4,621	3,103	39,024	38,396
Canada, 4 markets 2/	289,257	194,213	2,200	4,151	5,639	42,029	44,849
United States 3/	41,211	37,002	514	316	292	3,162	5,753
Argentina	115,412	140,128	3,430	2,875	4,538	33,436	38,919
Australia	153,400	90,736	3,109	1,142	1,347	19,708	18,278
Russia 4/	17,408	26,656	192	256	448	1,656	912
Danube and Bulgaria 4/	1,704	15,872	0	0	16	0	376
British India	3/2,169	5/1,695	27	0	0	0	216
Total 6/	588,597	495,703	11,622	8,894	9,452	93,824	97,097
Total European shipments 1/	448,672	401,560	8,672			7/62,384	7/65,632
Total ex-European shipments 1/	164,256	123,352	3,584			7/16,096	7/17,488

Division of Statistical and Historical Research. Compiled from official and trade sources. 1/ Broomhall's Corn Trade News. 2/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster. 3/ Official. 4/ Black Sea shipments only. 5/ July 1 - April 30. Land trade not reported for March. 6/ Total of trade figures includes North America as reported by Broomhall. 7/ To August 25.

Table 13.-Wheat, including flour: Shipments from principal exporting regions, specified dates, 1933-34 and 1934-35

Period	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1-July 28	14,140	14,676	8,728	7,648	0	112	14,296	13,192
Week ended								
Aug. 4	1,920	3,756	2,788	2,028	0	40	4,224	4,168
11	4,852	6,144	608	812	0	200	3,328	3,960
18	3,052	3,500	2,472	2,192	0	8	3,472	4,488
25	3,912	3,430	2,448	3,109	0	0	4,536	4,864
Sept. 1	2,728	2,875	588	1,142	0	0	5,008	4,621
8	2,832	4,538	2,076	1,347	0	16	4,160	3,103
Total July 1 - Sept. 8	33,436	38,919	19,708	16,278	0	376	39,024	38,396

Compiled from Broomhall's Corn Trade News.

Table 14.-United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35

Period	Wheat		Wheat flour		Wheat including flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 1-July 28	21	28	160	127	773	625
Week ended						
Aug. 4	5	395	39	30	188	536
11	1	1,010	41	83	194	1,400
18	8	360	57	74	276	708
25	2	227	40	61	190	514
Sept. 1	3	166	51	32	243	316
8	1	1	11	62	53	292

Compiled from a weekly report of the Bureau of Foreign and Domestic Commerce.

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WORLD WHEAT PROSPECTS

Summary

The world wheat crop, outside of Russia and China, is now indicated to be between 3,330,000,000 and 3,375,000,000 bushels, or in the vicinity of 360,000,000 bushels less than last year. World stocks, however, were somewhat larger this year than a year ago. The surplus in the four principal exporting countries and supplies afloat on July 1, 1934 were about 38,000,000 less than last year while continental European stocks, outside of Russia, on the same date were indicated by incomplete returns to be about 60,000,000 bushels more, or a net increase of about 22,000,000 bushels.

Present estimates for 41 Northern Hemisphere countries indicate production of wheat to be 262,000,000 bushels less than in the same countries last year, with production in North America and 28 European countries 25,000,000 and 266,000,000 bushels less than last year, respectively. Rye production in 22 European countries as now reported is about 158,000,000 bushels less than last year.

The condition of the 1934-35 Argentine wheat crop is reported good on the whole, but the plants are entering the critical period of growth with rust damage feared because of excessive moisture. Condition is indicated to be especially good in the province of Santa Fe and the northern part of Buenos Aires, while rains, following the drought condition, have improved the crop in the southern and western regions. The 1934-35 wheat production in Australia is forecast at about 137,000,000 bushels, which is 21 percent below the 1933-34 crop.

The decline in prices in the United States markets is directly traceable to weakness of foreign markets which have been depressed by large

shipments of Argentine wheat and low-priced offerings of French wheat. While additional amounts of French wheat are likely to be offered, the quantity will be limited. The trend of prices during the next few months will depend largely upon future developments of Southern Hemisphere crops and the extent to which wheat is used as feed. Over short periods, the market may continue to be influenced largely by the immediate pressure of Argentine and French offerings.

Production

Present production estimates for 41 Northern Hemisphere countries total 2,889,000,000 bushels, which is approximately 32,000,000 bushels larger than the total reported a month ago, but is 262,000,000 bushels less than the production in the same countries in 1933. Australia is the only Southern Hemisphere country for which an estimate is available at this time. Production there is forecast at 137,000,000 bushels compared with 174,000,000 bushels last year.

The estimate of the 1934 production in the United States has been revised upward from 493,285,000 bushels to 496,982,000 bushels compared with 527,978,000 bushels in 1933.

The official estimate of the Canadian crop remains at 277,304,000 bushels as estimated on September 11. During September the Prairie Provinces experienced a spell of wet weather which seriously retarded harvesting operations. Heavy snowstorms were reported in each of the three provinces.

Production in Europe this year appears to be considerably below the exceptionally high outturn of last year, but it approaches that of 1932 and exceeds all European wheat harvests prior to 1932. Revisions received during the past month have increased the total nearly 30,000,000 bushels. The most important additions are the receipt of the first official estimates for Italy and Poland. The Italian crop is estimated at 232,687,000 bushels compared with 297,987,000 bushels last year. The Polish crop is estimated at 63,468,000 bushels compared with 79,883,000 bushels in 1933. Prior to the release of the official estimates for these countries forecasts of 224,100,000 and 49,600,000 bushels were used for Italy and Poland, respectively. The rye production in 22 European countries is now reported at 834,000,000 bushels compared with 992,000,000 bushels in 1933.

The condition of 1934-35 wheat crop in Argentina is good on the whole, but the plants are entering the critical period of growth, according to an official report. Drought damage and the invasions of locusts were of little importance in relation to the large area seeded, but in some districts they assumed local significance. Frosts during September caused some injury, but the moisture in the soil and later rains offset their bad effect to some extent. The southern and western regions, which suffered from drought up to the first of September, have reacted since recent showers

were received, and prospects have improved. The Buenos Aires office of the Foreign Agricultural Service Division in a cable dated October 20 reported that the condition of the wheat crop appeared especially good in the province of Santa Fe and northern part of Buenos Aires. The stands of wheat were uneven in Northern Cordoba but the condition was good as a whole. A more recent report indicates while wheat conditions in Argentina are good, rust damage is feared owing to excessive moisture.

The 1934-35 wheat production in Australia is forecast at 137,016,000 bushels, according to a cable from the International Institute of Agriculture. This estimate is 21 percent below the 1933-34 crop of 174,363,000 bushels. A part of this reduction is due to the smaller area this season which was previously reported at 12,965,000 acres compared with 14,966,000 acres last year. Rainfall during the past month was unsatisfactory and good rains are necessary to insure a satisfactory harvest. Crop conditions are generally fair to good but very poor conditions are reported in some parts of the country. In New South Wales damage is threatened from locust attacks and lack of rainfall.

Table 1.- Wheat: Production in specified countries, 1931-32 to 1934-35

Country	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:				
United States	932,221	744,076	527,978	496,982
Canada	321,325	443,061	269,729	277,304
Mexico	16,226	9,658	12,122	10,104
Total (3)	1,269,772	1,196,795	809,829	784,390
Europe:				
Danube (4)	370,470	221,569	370,870	255,176
Other (24)	1,064,218	1,268,439	1,378,266	1,227,936
Total Europe (28)	1,434,688	1,490,008	1,749,136	1,483,112
Africa (5)	115,499	127,248	110,068	124,175
Asia (5)	494,530	449,820	482,341	497,124
Total 41 countries	3,314,489	3,263,871	3,151,374	2,888,801
Australia	190,612	213,927	174,363	137,016
Total 42 countries	3,505,101	3,477,798	3,325,737	3,025,817

Prices

Wheat prices have declined during the past month largely under the influence of the pressure of French and Argentine offerings on the world markets. The Liverpool market declined about 15 cents per bushel from September 10 to October 3, but North American markets showed considerable resistance, Winnipeg and Chicago prices declining only about 10 cents per bushel during the same period. By October 11 North American markets had come back within about 4 cents of the September 10 peak while Liverpool and Buenos Aires rose only to within about 8 cents. At present, October 19, Chicago and Winnipeg are continuing to show resistance, being only

about 8 cents below the September 10 peak while Liverpool and Winnipeg are about 13 cents below. The course of prices during the next few months will depend largely upon the rate at which shipments are made from Argentina, upon future developments as to Southern Hemisphere crops, and upon the extent to which wheat may be used as a feed for poultry and livestock. While additional French wheat may be offered, quantities will be limited by the Government because of the high export bounty involved.

The United States average farm price of wheat as of September 15 was 92.2 cents per bushel compared with 89.6 cents a month earlier and 71.1 cents per bushel in September 1933. Market prices of cash wheat also averaged somewhat higher in September than in August. Thus, the September weighted average price of No. 2 Hard Winter at Kansas City was 107.5 cents per bushel compared with 106.6 cents for August. September gains were made in each of the other representative wheats. Future prices, on the other hand, averaged slightly lower in September than in August. At Chicago, December futures averaged 104.9 cents compared with 106.1 cents in the previous month. The relative weakness of futures as compared with cash prices is in part indicative of the fact that the decline in future prices which took place in the United States after early September was of a speculative nature rather than due to any weakness in the domestic cash market situation but it also reflects relatively small receipts at primary markets which would tend to strengthen the cash market.

The decline in prices which has taken place in the United States markets is directly traceable to the weakness of foreign markets, as reflected by Liverpool futures, which declined fairly continuously for 8 weeks from August 10 to October 3. The early part of this decline appeared to be rather distinctly a reaction to the very rapid rise which took place during July and early August. The subsequent decline of about 15 cents per bushel from early September to early October, on the other hand, has been associated with selling pressure from France and Buenos Aires on world markets, together with the marketing of fairly large quantities of native wheats in the various continental European markets.

Chicago December futures thus far in October have been running between about 19 and 24 cents over Liverpool Decembers and over 40 cents higher than Buenos Aires. For the week ended October 13, Chicago averaged 22 cents higher than Liverpool and 43 cents higher than Buenos Aires. Owing to the wide-spread of Chicago over Liverpool or Buenos Aires prices, we are now fairly close to an import basis for non-premium wheat, but there is no prospect for large importations of such wheat unless very large amounts are fed in the United States. Before there will be very heavy feeding of wheat it will be necessary for corn prices to rise further compared with wheat so that the feeding of wheat in place of corn will be advantageous over large areas. The September 15 United States farm price of corn was approximately 15 cents per bushel below that of wheat and in only a few Western States was the price of corn approximately as high as that of wheat. It would be necessary for corn to rise relative to wheat by about 10 cents per bushel over the September 15 level, for wheat feeding to be very heavy in the United States.

Argentina, with export stocks around 45,000,000 bushels on October 20 may continue to make large offerings during the next 2 months in order to reduce her surplus before harvest. A recent cable, however, indicates that

wheat in government elevators amounts to only 9,000,000 bushels, which would suggest that further forced selling might be limited. As indicated in Table 6 , Argentina shipped about 16,000,000 bushels in September 1934 as compared with about 8,000,000 in the same month a year ago and about 4,000,000 in September 1932. Shipments during the first 3 weeks of October this year have been about 11,500,000 bushels as compared with 3,000,000 and 2,000,000 bushels for October 1933 and 1932, respectively. Any reduction in the rate of marketings may tend to be reflected in a strengthening of prices. Australia also probably had around 55,000,000 bushels on October 20, but unlike Argentina, has not been offering it in more than about normal marketings. As shown in Table 7 Australia exported about 9,000,000 bushels in August of this year as compared with 8,000,000 in August a year ago. Exports during September of this year and last year were about the same, 7,000,000 bushels. A recent cable indicates that France will again offer wheat freely at low prices. Because of the high bounty necessary to be paid by the Government, quantities of French wheat will no doubt be limited.

Two other factors which will affect prices are the extent to which wheat may be used as a feed in both the United States and Europe, and conditions for the further development of the Argentine crop which is entering its critical period of growth.

Table 2.- Wheat: Closing prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	122	113	116	109	120	118	95	98	101	101	4/72	4/78
Low 3/	75	89	70	83	72	90	54	79	59	75	4/50	4/58
Sept.22	92	104	87	102	89	111	66	86	73	84	59	62
29	90	103	85	100	87	109	61	84	69	81	58	60
Oct. 6	86	97	82	96	84	105	59	81	66	77	57	58
13	75	101	70	99	72	107	54	82	59	79	50	58

1/ Conversions at noon buying rate of exchange. 2/ Prices are of day previous to other prices. 3/ July 1 to date. 4/ October and December futures.

Table 3.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No.1 Dk.N.Spring Minneapolis		No.2 Amber Durum Minneapolis 1/		No. 2 Red Winter St.Louis		Western White Seattle 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	108	122	106	109	114	124	120	153	108	105	86	95
Low 3/	83	89	81	88	83	97	95	110	84	89	69	74
Sept.22	93	119	90	107	94	120	105	150	91	103	74	87
29	90	117	88	106	90	118	104	148	89	103	70	88
Oct. 6	88	113	87	102	88	115	101	145	87	98	70	83
13	83	115	81	103	83	116	97	149	84	101	69	

1/ Hard amber durum 1934. 2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery. 3/ July 1 to date.

Table 4.- Wheat: Price per bushel at specified markets, in terms of United States currency, by weeks, August - October 1934

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/ 7/	Paris 6/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Aug. 4	104.1	116.7	84.4	66.1	88.2	67.4	212	199	191
11	109.2	123.3	89.1	73.5	94.9	67.9	214	200	195
18	105.7	120.0	83.0	69.0	88.1	69.3	216	201	193
25	106.5	119.4	81.6	69.8	89.2	71.5	212	202	201
Sept. 1	105.9	118.2	77.8	67.4	87.0	69.6	212	202	206
8	107.9	120.5	79.5	65.2	85.9	68.1	213	202	211
15	108.7	123.5	80.8	64.4	85.2	68.2	215	202	208
22	106.8	120.5	79.0	61.4	80.4	68.1	216	202	
29	106.0	118.0	78.3	57.2	76.7				
Oct. 6	102.3	115.3	73.6	55.8	72.8				
13	102.5	115.5	76.0	56.8	75.1				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter. 2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern. 4/ Near futures.
5/ Home-grown wheat in England and Wales. 6/ Domestic.
7/ To August 15 fixed flour mill purchase price, from August 16, Central German wheat, wholesale trade price free Central German station.

European Import Requirements for 1934-35 1/

Net imports of wheat and flour in 20 European countries as provisionally estimated by the Bureau of Agricultural Economics and published in the September issue of World Wheat Prospects remained substantially unchanged except for a downward revision in the case of Italy from a range of 37,000,000-43,000,000 to 30,000,000 - 35,000,000 bushels. This change was primarily due to the upward revision in the Italian production figures. Total provisional net import requirements would accordingly also be changed from between 424,000,000 and 470,000,000 to between 417,000,000 and 462,000,000 bushels.

The market outlook for imports of wheat into continental European importing countries during the coming season is definitely better than a year ago, particularly for Italy and Czechoslovakia. It is not, however, improved to the same extent as the small crops harvested this season would indicate on account of important carry-over supplies in many countries. Although definite data for most countries are not available, it is believed that the statistical total of stocks plus this year's crop will exceed normal bread grain requirements by very considerable amounts in France and Spain, by significant amounts in Sweden and Portugal, and perhaps even in Poland should last year's crop estimate there be revised upward to the extent indicated by recent trade estimates. Domestic requirements will also be exceeded by a small amount in some of the Baltic States, notably Estonia, if rye is included with wheat. In Germany, however, the carry-over of bread grains when added to this year's

1/ Based on a report by Gordon P. Boals, Assistant Agricultural Attache, Berlin, Germany.

crop will about equal quantity requirements, and in Czechoslovakia such carry-over supplies will considerably decrease otherwise necessary imports. Port stocks are generally below last year's levels at present, but might well show an increase during the season, particularly if the price situation seems to warrant larger forward commitments.

Russian Wheat Export Outlook

The outstanding fact in the Russian wheat export outlook this season is the unfavorable effect of the severe drought on production in the southern regions of the Soviet Union. Over 90 percent of Soviet wheat exports in recent years was shipped through the Black Sea ports, indicating that these exports originated largely in the adjacent regions. It is known that these areas, particularly the southern Ukraine, were hard hit by the drought, and it seems doubtful whether it will be possible, even with rationing of consumption, to ship considerable quantities of grain from these sections. In this connection it is significant that, while the northern districts of Ukraine provided by October 1 the grain specified in the Government procuring plan, the southern districts were 18 to 24 percent short of fulfilling the plan, although it is likely that the latter was reduced as a result of the drought.

It must be borne in mind, however, that the export policy of the Soviet Government is an important factor in determining the volume of exports. The Government not only has a monopoly of foreign trade, but also largely controls internal grain distribution and, through taxation in kind and other means, is able to concentrate large quantities of grain in its hands. The Government has considerable latitude in the distribution of this supply as between domestic consumption, stocks, and exports, in accordance with its plans and policies.

The Danube Basin Export Outlook 1/

The prospects for marketing Danubian wheat abroad continue to be favorable. As a result of the small world crop, relatively high prices are paid for Danubian wheat, especially in central Europe. The demand for Danubian wheat by Austrian, German, Czechoslovakian, Swiss and other importers, is in excess of the available surpluses, particularly on a barter basis. Nevertheless, exports to date have not been large, on account of farmers' unwillingness to part with their wheat, expecting further price increases next spring. More recently, the harvesting of corn has also interfered with deliveries of wheat to markets.

The quantity of Danubian wheat available for export during 1934-35, including carry-over from the 1933 crop, is now estimated at about 29,395,000 bushels as compared with the 24,251,000 bushels earlier estimate. The increase of about 5,000,000 bushels over the former estimate is due to the larger production estimate, coupled with prospects for abundant corn crops and with the favorable world market situation for wheat exports. No doubt unusually large quantities of wheat will be replaced by rye in the diet of Hungarians and Bulgarians, whereas in Rumania and Yugoslavia corn will be substituted for wheat. It would be difficult for Danube Basin countries to export 29,000,000 bushels from a crop of 255,000,000 bushels, without such a substitution on an unusually

1/ Based on a report by Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia.

large scale. Substitution will be promoted by the artificially maintained high level of internal prices in Bulgaria, Rumania and Yugoslavia.

At present the following import quotas for Danubian wheat are in existence: Bulgaria holds a Czechoslovakian import quota for about 919,000 bushels of wheat, for delivery until the end of the present marketing year. Hungary is in possession of an Austrian import quota for 8,084,000 bushels of wheat and wheat flour in terms of wheat, which quota expires at the end of the 1934-35 export year. Deliveries on the basis of this contingent have begun on a relatively small scale. Large deliveries are expected for next spring, when domestic stocks in Austria will be depleted. Hungary has obtained another import quota from Italy, for 3,674,000 bushels of wheat. Actual deliveries will not begin until the late fall months or next spring. Italy also holds an option for another parcel of 3,674,000 bushels of Hungarian wheat. Besides these outlets, Switzerland shows considerable interest for Danubian wheat, a first parcel of 367,000 bushels has been delivered from Hungary to that country. Rumania is also reported to have received an import quota from Czechoslovakia, but it is questionable whether it will be possible to deliver this quota at the prevailing high internal prices in Rumania. Negotiations for the marketing of not important quantities of wheat in Germany are also in progress. Yugoslavia has obtained an import quota from Czechoslovakia for 2,205,000 bushels of wheat, which should be delivered before November 1. Almost one half of this quantity has already been exported during September. The Czechoslovakian Government has also reserved an option for further 1,470,000 bushels of Yugoslavian wheat, which should be delivered before January 15, 1935. Yugoslavia holds in addition to the above contingents, a German import quota for 1,837,000 bushels, on which deliveries have begun.

The French Wheat Situation 1/

Since 1932, the disposition of accumulated wheat surpluses has been a source of considerable concern to the French Government. Long before the two bumper wheat crops of 1932 and 1933, France had known bumper crops of wheat and had been able to remove accumulated surpluses without any serious difficulty. The largest wheat crop ever recorded in French production statistics was 378,000,000 bushels (1907) and the next largest was 364,000,000 (1898). In both cases the surplus wheat found its way to foreign markets through a normal operation of market machinery. In 1929 production reached 337,000,000 bushels, but it was still possible to move the surplus without creating serious difficulties, although some government aid was extended.

In 1932 the crop amounted to 334,000,000 bushels. Greater intervention by the Government than in 1929 was necessary to prevent a drastic decline in prices because prices in France were far above those in world markets. In addition to limiting the amount of foreign wheat used in milling, a premium was placed on exported wheat and a new law passed to enforce a low flour extraction rate. These measures, moreover, did not move wheat as expected and prices declined further. The Government then resorted to the subsidizing of wheat storing and to the purchasing of domestic wheat, hoping to remove a large portion of the surplus from the market immediately following the harvest, thereby avoiding a market glut. Farmers, however, did not respond to the storage appeal due to being pressed for cash after harvest, and

1/ Based on Foreign Crops and Markets, September 24, 1934, pp. 332-343, and a report from L. D. Mallory, Assistant Agricultural Attache, Paris.

Government purchases of wheat were too limited to be of any substantial value.

All of the Government measures, however, proved unsuccessful in removing the surplus of wheat and France entered 1933 with a large carry-over. On top of this the 1933 crop, estimated at 362,000,000 bushels, was the largest since the record year of 1907. A new law was accordingly passed to enforce a still lower flour extraction rate and the Government decreed that nothing but domestic wheat could be used in making bread flour. In order to maintain prices the Government also introduced a minimum price law and a law establishing a premium on denatured wheat fed to livestock. To guard against the possible increase in acreage which might result from the incentive offered by the minimum price, a fine of about $13.50 per acre (Fr. 500 per hectare) was imposed for any increase in acreage above the previous year's acreage.

All efforts to reduce the surplus materially again proved unsuccessful. The Government, wheat producers, and millers had been hopeful that the 1934 wheat crop would be sufficiently small so that the surplus carried over from the two previous large crops could readily be absorbed, but the new crop was again large. The August 25 official estimate placed the crop at 307,000,000 bushels and unofficial estimates as high as 321,000,000 bushels compared with the 1929-1933 5-year average of 305,000,000 bushels. Adding the estimated carry-over of 110,000,000 bushels to the official estimate, total supplies on August 1 were probably not less than 417,000,000 bushels. Deducting the normal disappearance of 320,000,000 bushels, 97,000,000 bushels still remained to be disposed of through measures enacted or to be enacted, and for carry-over. Since the Government had been trying in many ways to get rid of the surplus with little result, exportation of at least a part of the supply was resorted to, and up to the last of September export licenses to the extent of 8,100,000 bushels were authorized. Actual exports up to that time were believed to be about 5,100,000 bushels.

The flour extraction was fixed at 65 percent with a view to utilizing more wheat for flour needs; ordinarily the extraction is about 76 percent. The denaturing of wheat to render it useful only for feeding purposes, which so far has been allowed for only 5 percent of the 1933 carry-over, was provided under a subsidy of about 85 cents per bushel (48 francs a quintal less one franc for charges). In order to insure the 1933 crop carry-over being utilized, millers are obliged to grind 65 percent of 1933 wheat and 35 percent of new wheat. The price of the 1933 wheat is $2.38 per bushel(131.50 francs per quintal) and new wheat $1.96 per bushel (108 francs per quintal). Actually by rigorous deductions for weight and quality and by other means, millers are said to be getting 1933 wheat for about $2.28 and new wheat at something less than the legal rate.

Figuring as of the close of September,measures in force might succed in increasing the amount of accumulated supplies disposed of by some 8,000,000 bushels for export, perhaps 29,000,000 bushels for milling under the restricted extraction ratio, and 4,000,000 bushels for denaturing, or a total of 41,000,000 bushels. This would be a maximum under the strictest regulation. Charges are freely made that the smaller millers are circumventing the extraction percentage. It is probable that operations under the present decrees could account for no more than 37,000,000 bushels. Since the estimated surplus over ordinary requirements is 97,000,000 bushels, a large carry-over would still exist at the end of the year. There is pressure on the Government from farm groups to issue further measures to reduce the surplus. Those most likely to be issued are further export authorizations and lowering of the extraction ratio.

It should be pointed out that the increased production in France during the past 3 years has not been the result of increased acreage. In fact, the acreage has been changing relatively little, but yields have been high. France is faced with the fact that present acreage is not likely to produce under normal conditions more than the amount needed annually.

The Durum Situation

The six important durum producing countries, considered in the light of international trade are the United States, Italy, Algeria, Morocco, Canada, and Tunis. In the period 1927 to 1931 Italy produced about 29 percent of the total of these six countries, Algeria and Morocco each between 11 and 12 percent, and Tunis about 5 percent. The United States during the same period averaged nearly 36 percent and Canada between 7 and 8 percent. For the present year, however, because of the short crop in this country, the United States is on an import instead of an export basis.

Durum production for Italy and the three North African countries are shown in the following table together with Canadian Western Division inspections. While current figures on total supplies are not available for Canada, supplies will be such that Canada will be the principal source of durum for international trade this year, most of which will go to the United States. Algerian supplies will be used at home or shipped to France. Most of the Moroccan exports of durums will go to France but some will also be available for shipment to other countries as the French contingent is small. Sales to Germany have been announced and a first shipment of 36,743 bushels is being made. September prices are said to have been $1.00 to $1.09 per bushel f.o.b. Stocks of old crop durum in Morocco are very small and it is expected that local stocking by native farmers will be moderately heavy this year, not only because of the desire to maintain supplies as insurance against a possible bad harvest next year, but also because other crops have been fairly remunerative, relieving the pressure to sell for ready cash. Some Tunisian durum may be available for export and may go to Italy, although the quantity will not be large. The carry-over of durum in Italy is believed to be about 5,500,000 bushels. The condition of Italy is such from the economic standpoint, as well as the avowed intention of the Government with reference to wheat, that imports will be held to a minimum.

Table 5.- Durum wheat: Production in Italy, and three North African countries, and inspection in the Western Grain Division of Canada, 1929 - 1934

Year	Production				Inspections 1/
	Italy	Algeria	Morocco	Tunis	Canada
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1929	-	25,312	24,990	9.737	10,679
1930	-	22,866	17,319	7,459	12,057
1931	49,127	18,644	21,883	9,921	8,323
1932	60,923	20,873	19,040	12,493	13,347
1933	63,992	22,225	17,512	6,246	9,399
Average	-	21,984	20,149	9,171	10,761
1934 2/	57,724	25,720	20,944	11,023	

Compiled from official sources except as otherwise noted.
1/ Inspections in the Western Division, August 1 - July 31.
2/ Estimated in the Paris Office of the Foreign Agricultural Service.

The Continental European Wheat Market Situation 1/

No important movements on the markets of the various continental European countries took place during September. The demand for Danubian wheat was very active during the latter part of September. Central European countries were particularly interested in buying wheat from Danubian countries, as such wheat could largely be paid for by cancellation of claims against Danubian Governments, or on a barter basis.

A large number of countries now have adopted fixed price schemes and these will continue to hold wheat prices in those countries well above world prices during the coming season. Generally it can be said that those countries having fixed wheat prices are no longer important markets for overseas wheat. On the other hand, those countries, notably Holland and Belgium, whose wheat prices and markets are sensitive to world conditions, will continue to reflect general market developments. Wheat prices in these countries should be well maintained in view of the improved statistical position unless heavy pressure is caused by dumping or other competition among exporting countries. The Danube Basin surplus is greatly reduced this season, but France has been offering grain rather freely and Sweden may supply some of the European requirements. Such offerings affect the market situation for overseas wheat adversely.

The consumption or domestic utilization of wheat and rye in European countries should not be greatly different from the past season. Prices have not changed significantly for most countries because they have been and will continue at fixed levels. Demands for grain for feeding purposes are probably greater, especially in Germany, due to reduced feed and forage supplies. However, a combination of lack of surplus bread grain supplies and the restriction of imports, will tend to keep the amounts fed at a minimum. Last year an extensive use of bread grains for feeding was not necessary because of large feed grain supplies. Bread continues to be the major item of the food diet and will probably have a first chance at foreign exchange in those countries where exchange is rigidly controlled.

France

The French Government has been exporting wheat in an effort to reduce its carry-over with a view of restoring the market for the farmers' new crop. The vast differences between the officially fixed internal and world prices involves the payment of an export bounty of about $1.63 per bushel (90 francs per quintal). Although the quantities sold have not been extraordinarily heavy, they are considered largely responsible for the early October price decline.

According to an October 4 cable from E. A. Foley, Agricultural Attache, London, the London Times stated that French wheat was being dumped in various markets, the German Government having taken 3,674,000 bushels,

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1/ Based on reports by Gordon P. Boals, Assistant Agricultural Attache, Berlin, Germany, September 27; Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia, September 22; and L. D. Mallory, Assistant Agricultural Attache, Paris, France, September 27. All price quotations have been converted at current rates of exchange.

Scandinavia 1,837,000 bushels, the Italian Government 1,102,000 bushels, and English and other buyers 1,837,000 bushels, making a total of 8,451,000 bushels. At the time it was estimated that 3,674,000 bushels more were to be sold. A French report stated that 121,000 bushels were en route from Rochelle to Liverpool and 37,000 to Limrock. Sales were reported, according to Agricultural Attache Foley, at 60.0 to 61.6 cents per bushel, less 6.2 cents United Kingdom duty, making the f.o.b. price 55.4 cents. Broomhall at the same time quoted French wheat on samples at 58.5 to 59.5 cents per bushel and Patent flour $1.14 per 100 pounds or $3.20 per 280 pounds. A report dated October 20, further indicates that France is again offering wheat at low prices. This wheat which has been moving out of France is reported to be of low gluten-content and will be used principally for feed.

North African Wheats as far as the European situation is concerned, can be considered a part of the French production and utilization. In Algeria, as in France, export bounties on bread wheats are offered. In Tunisia the price is fixed by the Government, whereas in the case of Moroccan wheats, part of the supply is shipped to France under a contingent. The main point of difference is that of durum, which is discussed on page 10 . The Government in Morocco has issued regulations governing the granting of licenses for the export of bread wheat to France within the contingent. For every license of 367 bushels (100 quintals) granted either to the Farmers Cooperative Elevators or to grain exporters, 147 bushels are required to be exported outside of France or rendered unfit for human consumption and in addition 73 bushels must be stocked as a carry-over for the following year. A priority of 10 percent of the contingent is reserved for pedigree wheat.

Germany

Late September rumors from London indicate that the German Government has made a contract for the purchase of about 3,674,000 bushels of wheat from a consortium of international shippers. Half of this quantity is supposed to consist of French wheat.

A cable dated October 16 stated that effective October 22 a tariff of $3.86 per bushel has been placed on wheat not imported thru the Government Grain Office; Government grain comes in duty free.

Italy

Prices for new crop Italian bread wheats strengthened in the second half of August and held firm during most of September. The prospect of imports being necessary has been a material factor in the present situation. The Government is continuing its measures in supporting wheat prices by requiring a percentage of old crop wheat in all millings, prices of which are fixed at $2.21 per 59-lb. bushel. No important trade movements have taken place up to late September so far as is known. A quantity of wheat from Hungary amounting to 3,674,000 bushels will be taken if the supply is available, but some doubts have been raised as to its ultimate arrival.

Czechoslovakia

In Czechoslovakia a Grain Monopoly has recently replaced the import syndicate which has been in operation. Contrary to the situation in Germany,

prices for 1934-35 set by the new Czechoslovakian monopoly are to be considered high and more in line with what would be the ordinary result of a free internal market.

Spain

The grain market in Spain was quiet during September. In view of considerable supplies this year it may be difficult to maintain the fixed prices of $1.88 to $2.06 announced for the rest of 1934. Some instances are reported of smaller producers offering wheat at $1.58 to $1.69 per bushel . In order to limit illegal sales the Government has provided that sales be made only through the local Boards of Wheat Exchange and fines are provided for outside sales. Pressure on the market must, however, have been considerable, for on August 31 the Government issued a decree providing an additional $6,895,700 to the National Service for Agricultural Credit in order that further loans could be made to farmers on wheat and thus maintain prices and prevent an accumulation of offerings.

The Danube Basin

A scarcity of deliveries due to corn harvesting and expectations of further price increases next spring, firm prices and active buying by Government organizations were the features of the Danubian wheat markets during September. The Government organizations in these countries purchased large quantities of wheat not only for resale on domestic markets (Bulgaria and Rumania), but also for sale abroad on the basis of import quotas obtained from Central European countries. As a large percentage of the proceeds may be used for the payment of claims against Danubian Governments, or may be paid on a barter basis, Central European countries were particularly interested in Danube Basin wheat. Because such transactions naturally involve the handling of exports by Government organizations, the wheat export trade has been either completely or practically monopolized in all Danubian countries, except in Hungary, where export permits are actually given to private organizations, in addition to the "Futura", which is acting for the Government.

Exports from July 1 to September 30 are estimated at about 4,104,000 bushels. During July and August, relatively small quantities were exported. In September, exports on a larger scale began, although their approximated total of 2,572,000 bushels is still considerably below the normal level of September exports.

The Oriental Wheat and Flour Market 1/

Shanghai wheat and flour prices advanced rapidly during the week ended October 20, because of the increase in the silver export duty. Due to the fact that foreign exchange rates have now advanced to a greater extent than local wheat and flour prices, foreign business has come to a standstill.

Shanghai mills are continuing to operate at nearly full capacity with a wheat supply sufficient for about one and one-half months. About 1,000,000 bushels of native wheat in Shanghai remains unsold but this supply is in strong hands awaiting higher prices. Flour demand from Newchwang (Yinghow) is reported good due to the approach of the season when the port will be closed. Demand from other sections remains fair. September imports of wheat at Shanghai were 494,500 bushels, all of which were from America. It is believed that Manchurian foreign flour requirements will exceed those of last year,

1/Cabled from O.L.Dawson, Agricultural Commissioner, Shanghai, China, Oct.20, 1934. Prices converted at the actual rate of exchange including official and private currency premiums.

influenced largely by a smaller crop and an increased activity in construction work. Moreover, Manchurian total wheat harvest is estimated at 15 percent below last year.

Tientsin flour production during September amounted to 180,000 barrels. Importations from Canada were placed at 1,000 barrels, from Shanghai 157,000 barrels, while total stocks at the end of September were around 444,000 barrels. Late reports indicate that Tientsin mills are operating below last season. Flour demand is only fair but is expected to improve. Arrivals of wheat at mills are expected to be less than last season because the crop is about 15 percent below last year in the Tientsin area, and it is estimated that about three cargoes of foreign wheat will be required.

Prices of wheat on the Shanghai market, as reported on October 20, c.i.f. Shanghai, duty included, for November shipment in bulk, were quoted as follows: Argentine 77 cents per bushel, domestic standard for October delivery 68 cents, November 70 cents, and December delivery 71 cents per bushel. Shanghai flour for October delivery was quoted at 79 cents per bag of 49 pounds, November 79 cents, and December delivery 80 cents per bag. Purchasers of American flour at Tientsen were quoting 84 cents per bag of 49 pounds, with highest offer at 80 cents.

Table 6.- Argentina: Distribution of the wheat crop, 1930-31 to 1933-34

Item	1930-31	1931-32	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Carry-over, Jan 1	15,473	16,305	10,960	1/ (6,936)
Production	232,285	219,696	240,889	286,120
Domestic utilization 2/	93,328	95,533	95,533	(95,533)
Balance for export or carry-over	154,430	140,468	156,316	197,523
Exports -				
Jan.	10,946	14,657	16,156	15,219
Feb.	17,614	20,384	16,769	17,212
Mar.	13,411	25,966	18,259	17,375
Apr.	17,688	22,056	15,616	10,409
May	20,923	12,248	14,328	13,996
June	16,786	8,919	13,974	16,364
July	7,826	3,042	14,936	16,984
Aug.	6,491	3,937	16,322	18,964
Sept.	5,432	3,451	7,136	15,603
Balance Oct. 1	37,313	25,808	22,820	55,397
Oct.	6,537	3,332	5,766	
Nov.	6,116	4,116	3,839	
Dec.	8,287	7,291	6,279	

1/ Unofficial
2/ A certain amount of wheat is unaccounted for each year.

Table 7.- Australia: Distribution of the wheat crop, 1930-31 to 1933-34

Item	1930-31	1931-32	1932-33	1933-34
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Carry-over, Dec. 1	13,806	16,290	10,619	(18,000)
Production	213,594	190,612	213,927	174,363
Domestic utilization 1/	52,594	45,641	2/ 58,229	2/52,000
Balance for export or carry-over	174,806	161,261	166,317	140,363
Exports, wheat and flour 3/ -				
Dec.	9,054	9,312	12,368	7,481
Jan.	17,858	19,619	21,580	9,592
Feb.	17,734	21,012	27,252	9,472
Mar.	17,689	19,290	22,677	6,916
Apr.	20,250	15,638	11,538	5,160
May	16,028	17,796	11,550	5,544
June	16,789	11,480	6,658	7,815
July	12,376	8,306	9,100	7,647
Aug.	7,963	3,790	8,028	4/9,288
Sept.	10,675	7,168	7,206	4/6,884
Balance Oct. 1	28,390	27,850	28,360	34,564
Oct.	7,630	8,038	4,704	
Nov.	6,398	7,429	5,656	

1/ A certain amount of wheat is unaccounted for each year. 2/ Unofficial.
3/ Compiled from monthly reports from the International Institute of Agriculture.
4/ Broomhall's Corn Trade News.

Table 8.- Canada: Distribution of the wheat crop, 1931-32 to 1934-35

Item	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Carry-over, Aug. 1	134,079	131,845	211,740	193,323
Production	321,325	443,061	269,729	277,304
Domestic utilization 1/	118,735	107,676	106,000	106,000
Balance for export or carry-over	336,669	467,230	375,469	364,627
Net exports, wheat and flour				
Aug.	14,236	19,761	10,779	16,444
Sept.	16,816	28,600	22,127	2/19,250
Balance Oct. 1	305,617	418,869	342,563	328,933
Oct.	21,407	42,549	25,904	
Nov.	29,582	29,884	25,603	
Dec.	24,364	39,945	19,318	
Jan.	10,950	16,478	9,096	
Feb.	11,408	12,413	7,975	
Mar.	11,767	17,004	12,276	
Apr.	8,657	5,514	5,083	
May	17,597	23,970	21,174	
June	18,415	19,440	20,327	
July	21,616	18,573	14,705	

1/ A certain amount of wheat is unaccounted for each year.
2/ Total exports.

Table 9 - Wheat, including flour: Movement from principal exporting countries, 1930-31 to 1933-34

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1931-32	1932-33	1933-34	1932-33	1933-34	1934-35	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	135,797	41,211	37,002	10,454	3,112	5,986	Aug. 31
Canada	199,563	267,342	198,555	70,013	51,558	50,630	Sept. 30
Argentina	144,920	120,272	144,854	10,430	38,394	51,551	Sept. 30
Australia	155,451	148,060	86,674	8,306	9,100	7,647	July 31
Russia	71,829	19,183	33,787				
Hungary	18,064	7,010	29,615				
Yugoslavia	15,369	1,162	835	205	4	218	July 31
Rumania	37,481	186	248				
Bulgaria	11,795	3,144	1/4,760				
British India (L&S)	3,870	2,169	2/1,980				
Total	794,139	609,739	538,310				

	Shipments as given by trade sources						
	Total		Week ended			July 1 - Oct. 20	
	1932-33	1933-34	Oct. 6	Oct. 13	Oct. 20	1933	1934
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 3/	298,504	220,616	4,616	3,128	4,326	68,864	61,326
Canada, 4 markets 4/	289,257	194,213	6,657	5,515	6,723	81,165	85,357
United States	41,211	37,002	444	80	251	5,165	7,902
Argentina	115,412	140,128	4,456	4,280	2,793	41,908	61,685
Australia	153,400	90,736	1,720	2,790	1,241	28,276	29,571
Russia 5/	17,408	26,656	464	256	112	8,632	1,912
Danube and Bulgaria 5/	1,704	15,872	0	0	32	3,064	440
British India	6/2,169	2/1,980	32	0	0	0	304
Total 7/	588,597	495,988	11,288	10,454	8,504	150,744	155,238
Total European shipments 3/	448,672	401,560	9,336	8,992		8/ 121,448	8/ 122,448
Total ex-European shipments 3/	164,256	123,352	2,872	2,816		8/ 28,856	8/ 34,696

1/ Eleven months.
2/ Land trade not reported for March.
3/ Broomhall's Corn Trade News.
4/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
5/ Black Sea shipments only.
6/ Total exports as given by official sources.
7/ Total of trade figures includes North America as reported by Broomhall's.
8/ To October 20.

Table 10.- Wheat, including flour: Shipments from principal exporting regions, specified dates, 1933-34 and 1934-35

Period	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1 - July 28	14,140	14,676	8,728	7,648	0	112	14,296	13,192
July 29- Sept. 1	16,464	19,716	8,904	9,288	0	248	20,568	21,144
Week ended								
Sept. 8	2,832	4,552	2,076	1,344	0	16	4,160	3,056
15	1,772	4,228	1,420	1,192	248	0	3,800	4,672
22	2,004	3,216	2,028	1,472	760	32	4,952	3,936
29	1,288	3,768	2,024	2,876	0	0	4,416	3,256
Oct. 6	810	4,456	1,312	1,720	744	0	5,096	4,616
13	1,264	4,280	800	2,790	384	0	5,256	3,128
20	1,328	2,793	984	1,241	928	32	6,320	4,326
Total	41,908	61,685	28,276	29,571	3,064	440	68,864	61,326

Compiled from Broomhall's Corn Trade News.

Table 11.- United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35

Period	Wheat		Wheat flour		Wheat including flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 1 - July 28	21	28	160	127	773	625
July 29- Sept. 1	19	2,158	228	280	1,091	3,474
Week ended						
Sept. 8	1	1	11	57	53	269
15	32	13	59	36	309	182
22	95	43	50	97	330	499
29	5	51	32	31	155	197
Oct. 6	1	44	36	85	170	444
13	8	---	35	17	172	80
20	0	11	20	51	94	251

Compiled from a weekly report of the Bureau of Foreign and Domestic Commerce.

Table 12.- Continental European stocks of wheat, August and September, 1933 and 1934

Position	1933 Aug.	1933 Sept.	1934 Aug.	1934 Sept.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Antwerp 1/	2,118	1,815	1,668	2,235
Rotterdam 1/	2,774	3,178	1,764	2,447
Wheat stocks in principal continental ports (includes above two ports) 1/	6,746	6,627	5,090	6,931
Berlin (wheat and flour) 2/	1,584	1,774	2,386	2,440
Hamburg (rough estimate) 1/	551	404	367	367
Bremen and Brake 1/	18	21	55	3/ 32
German farm stocks 2/	4/ 5,511		3,895	
German "second-hand" stocks (wheat and flour) 2/ 5/	18,816	27,745	48,442	
Swedish mill stocks of wheat 2/	2,846	2,798		

1/Middle of month. 2/First of month. 3/ Preliminary.
4/Estimate of the Berlin office of the Bureau of Agricultural Economics.
5/In ware houses and flour mills. These totals are estimated to include 95 percent of all the stocks in warehouses and flour mills, and therefore must contain most of the Berlin, Hamburg, and Bremen-Brake data.

Table 13.- Wheat, including flour: Net imports into European countries, 1932-33 to 1934-35

Country	1932-33	1933-34	Net imports reported July 1, to	1933-34	1934-35
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	217	216	Aug. 31	35	35
France	39	18	July 31	2	1
Belgium	41	41	July 31	3	3
Netherlands	26	24	Aug. 31	6	3
Italy	13	8	July 31	1/	1
Greece	20	2/ 9			
Switzerland	19	18	Aug. 31	3	3
Irish Free State	3/ 18	3/ 19	Aug. 31	3/ 3	3/ 4
Germany	9	4/- 4	Aug. 31	2	3
Denmark	12	12	Aug. 31	2	3
Austria	13	11	Aug. 31	2	2
Czechoslovakia	7	5/	Aug. 31	2	1/
Norway	8	9	Aug. 31	1	1
Sweden	4	2	Aug. 31	1/	4/-1
Spain	8	5/	July 31	5/	5/
Finland	4	4	Aug. 31	1	1
Portugal	3	1			
Latvia	1/	0			
Estonia	1/	1/			
Poland	4/-1	4/-2	Aug. 31	5/	4/-2
Total	460	386		62	57

Compiled from official sources. 1/Less than 500,000 bushels. 2/Nine months.
3/Total imports. 4/Net exports. 5/ Net exports of less than 500,000 bushels.

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WORLD WHEAT PROSPECTS

Summary

The 1934 world wheat crop, outside of Russia and China, is still indicated to be between 3,330,000,000 and 3,375,000,000 bushels, as compared with 3,718,000,000 bushels produced a year ago. Present production estimates in 41 Northern Hemisphere countries, which include practically all of the Northern Hemisphere wheat crop outside of Russia and China, total 2,884,000,000 bushels compared with 3,151,000,000 bushels in the same countries in 1933. North America reported a decrease of 3 percent and Europe a decrease of 15 percent, whereas North Africa reported an increase of 13 percent and Asia an increase of 3 percent compared with last year. Present indications point to a somewhat smaller Russian crop than last year. In the Southern Hemisphere, production in Australia has been estimated at 137,000,000 bushels compared with 175,000,000 bushels last year, while that of the Union of South Africa has been forecast at 13,600,000 bushels, which is the second largest wheat crop on record for that country. An early November report indicated that growth in northern Argentina was remarkably uniform but somewhat late. Recent heavy rains, however, have caused considerable apprehension over the possible development of rust.

The decline in world wheat prices which began early in August was checked at the end of October. Some improvement in prices occurred during the first half of November. The checking of the decline and the subsequent upturn of prices was apparently due in part to the pegging of prices on the Winnipeg Exchange, but a reduction in the level of Argentine shipments was also of importance. The extent to which the strengthening of prices can be maintained will depend to a considerable extent on the volume of world shipments and especially Argentine shipments during the next few weeks.

Production

Estimates of the 1934 wheat production in 41 Northern Hemisphere countries, which include practically all of the Northern Hemisphere wheat crop outside of Russia and China, total 2,884,000,000 bushels compared with 3,151,000,000 bushels in the same countries in 1933. Minor revisions of the 1934 estimates reported for several countries have made a net reduction of about 5,000,000 bushels from the total reported a month ago. The principal changes were decreases of 2,000,000 bushels in the Canadian crop, 3,000,000 in the Turkish crop and 5,000,000 bushels in the Bulgarian crop. An increase of 3,000,000 bushels was reported for Czechoslovakia and 2,000,000 bushels for Japan.

The second official estimate of the Canadian crop issued November 9 is 275,252,000 bushels compared with the previous estimate of 277,304,000 bushels and 269,729,000 bushels produced in 1933. Apart from a period during the last part of September and early October, when the flow of grain was curbed by unfavorable weather, marketings have been maintained at a higher rate than during the same period in 1933.

Production in Europe, excluding Russia, as now reported is 15 percent below last year. No official estimate is available on the outturn of the Russian crop but present indications point to its being a somewhat smaller crop than last year because of the damage which resulted from the drought in important areas. The quality of the new wheat crop in a number of European countries is reported to be very good. The official report for France shows the highest weight per bushel in several years. The dry hot weather in Germany favored a higher gluten content as well as a higher weight per bushel.

In the Southern Hemisphere the wheat crops are approaching the harvesting time and much depends on weather conditions during the next few weeks. A report from Argentina dated November 2 stated that conditions in northern Argentina were promising, with growth remarkably uniform though somewhat late. Heavy rains which fell during the following week, however, have caused considerable apprehension over the possible development of rust. The total precipitation for the week averaged from 2 to 3 inches and in some localities as much as 4 inches. The damage to the crop, however, is contingent upon future developments and not on conditions to date.

The estimate of the production in Australia has not been changed from the 137,016,000 bushels reported last month. In the Union of South Africa the crop is forecast at 13,600,000 bushels which indicates the second largest crop on record there.

Table 1 . Wheat: Production in specified countries, 1931-32 to 1934-35

Country	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:				
United States	932,221	744,076	537,978	496,982
Canada	321,325	443,061	269,729	275,252
Mexico	16,226	9,658	12,122	10,104
Total (3)	1,269,772	1,196,795	809,829	782,338
Europe (28)	1,434,688	1,490,008	1,749,162	1,481,214
Africa (5)	115,499	127,248	110,068	124,176
Asia (5)	494,530	449,820	482,341	496,087
Total, 41 count.	3,314,489	3,263,871	3,151,400	2,883,815
Australia	190,612	213,927	175,370	137,016
Union of So. Africa	13,713	10,627	10,227	13,600
Total, 43 count.	3,518,814	3,488,425	3,336,997	3,034,431

The 1934 Crop in Soviet Russia 1/

No official estimates have been as yet available on the outturn of the Russian graincrops. Up to October 30, 1934 the winter and early spring sown cereals were 85 percent threshed considered on the basis of acreage. The total area for harvest of these cereals was somewhat smaller this year compared with 1933, the figures being, respectively, 203,000,000 and 208,000,000 acres. However, figures of the sown acreage under the three most important spring cereals, wheat, oats, and barley, this year were larger than their 1933 harvested areas. This is shown in the following tabulation:

Commodity	1933 harvested area 1/	1934 official sowing plan (Million acres)	1934 actual sowing preliminary 2/
Spring wheat	55.4	57.4	59.0
Spring barley	17.0	19.0	19.5
Oats	41.2	41.9	44.1

1/ Socialist Building of U.S.S.R. Statistical Yearbook, 1934, page 194.
2/ Spring wheat and spring barley; on the basis of 102.7 percent and 102.6 percent of the plan respectively "On the Agrarian Front", No. 7 1934, page 3. Oats: Izvestiia, October 18, 1934.

This expansion of the acreage under spring cereals, coupled with serious drought damage in important winter wheat regions, suggests that the reduction in the total harvested grain area in 1934 was primarily at the expense of winter grain.

In the case of wheat which averaged about 30 percent of the aggregate 1929-1933 Russian cereal production, present indications point to a somewhat lower crop than last year because of the damage which resulted from the drought in the important export areas of North Caucasus and Ukraine. In parts of Ukraine grain deliveries to the Government were suspended until next year, on account of poor crops. Ukraine and North Caucasus combined average about 40

1/ Prepared by the Foreign Agricultural Service.

percent of Russian wheat production with winter wheat predominating. A serious reduction in the outturn of the wheat crop in these areas is bound to diminish the total Russian wheat crop estimate, unless offset by increased production in other regions. Whether such increase in production in other regions actually took place this year cannot, as yet, be definitely stated.

An estimate of 830,000,000 bushels for the Russian rye crop was given in a German press report in connection with the recently concluded German-Polish-Russian Rye Agreement. This figure may be compared with an average 1930-1932 outturn of 828,000,000 bushels. The rye crop, being more winter and drought resistant, probably fared better than the winter wheat crop. Rye production in the Soviet Union averaged only slightly less than wheat production during the 5-year period 1929-1933.

While detailed information on the effect of the drought in different regions is lacking, it is known that the important wheat area in southern Ukraine was especially seriously affected. In this section the rainfall during the critical April - May period was less in 1934 than during the disastrous drought year of 1921 in four out of five stations for which data are available. In the more northern sections of Ukraine the crop apparently was also below average. Thus it was stated by a prominent Party Official (P. P. Postyshev Pravda, October 27, 1934) that the yields of winter wheat, winter rye, barley, and oats were below 1930-1933 average and considerably below 1933. Only spring wheat yields were considerably above 1930-1933 average but below 1933 figures. Winter wheat, however, greatly predominates over spring wheat in this region. It was stated by the official quoted above that the crops in the Kiev region, which is the center of Russian sugar beet industry and usually has relatively high yields, were "not bad" compared with other regions of Ukraine. The Kiev region accounted in 1933 for 8 percent of the Ukrainian wheat acreage.

Other sections of the Soviet Union, particularly in the spring Wheat Belt, it appears, did not suffer as severely from the consequences of the drought. Thus, the Lower Volga region, which together with the neighboring Middle Volga region was as a rule the worst affected area during periods of severe drought in the past, this year apparently has not experienced serious effects. The more favorable situation is attributed by a Russian authority to the short duration of the spring drought in this section on account of the delayed spring weather in 1934. (Professor R. David, Izvestiia, October 3, 1934). The June rains and unusually low temperature in that month brought great relief to the early crops. Furthermore, the soil moisture supply in this area during the present season proved to be adequate, due to the ample precipitation in the autumn and winter months and slow melting of the snow. Where artificial retention of snow was practiced, the yields were particularly high. It is likely that analogous conditions existed in the neighboring Middle Volga region. The two Volga regions account on the average for about 13 percent of the Russian wheat crop. Reports from Asiatic regions, western Siberia, Kazakstan, and Ural, indicate a good crop, although apparently considerable losses of grain occurred because of the slow harvest. These regions produce on the average about one-fourth of the Russian wheat crop. Little winter wheat is grown in the Volga and Asiatic regions.

The Soviet Government counted on lessened harvesting losses this season to offset a diminution in cereal yields due to the unfavorable weather conditions. The harvesting losses are admitted to have been large last year and were not fully reflected in the official Soviet 1933 crop estimates published

in January 1934. These estimates presumably did not take into account the harvesting losses beyond a theoretical figure of 10 percent which was deducted from what was termed the "biological yield" of the crop, estimated prior to the harvest. In view of the fact that the loss of grain in 1933 appears to have exceeded the "normal" figure of 10 percent, it has become customary to make a further deduction of 10 to 20 percent from the Soviet official 1933 estimates to allow for the additional loss.

Harvesting losses this year also appeared to have been considerable, on account of the widespread shattering and lodging of the grain and such harvesting difficulties as resulted from the irregular and, in many cases, short stand of the crop and the great diversity in the condition of ripening of the crop within even small areas. The drawn-out character of the harvest in many regions this year was an additional unfavorable factor. On the other hand the better progress of stacking during the present campaign tended to reduce harvesting losses. The combine, on which reliance was placed to diminish the harvesting losses, apparently did not justify such expectations, because of its low efficiency in the Soviet Union. The collectives in many cases tried to avoid the use of combines which are owned by the Government Machine-Tractor stations, in order to escape the payment to the Government of the required quantities of grain for this service.

Procurements 1/

The procuring campaign in the Soviet Union was approaching the end during the last part of October. The annual plan of grain deliveries to the Soviet Government was fulfilled by October 20 to the extent of 97.8 percent; thus, this year's procuring campaign was completed earlier than in any of the past seasons including even 1933, which was characterized by an unusually early fulfillment of the plan. There is evidence, however, that the plan for 1934 was reduced. No absolute figures of quantities of grain procured have been given so far, except that the procurements on October 20 were approximately 100,000,000 poods, or approximately 1,800,000 short tons above the quantity procured on the same date a year ago, when the plan was fulfilled to the extent of 85.9 percent, as compared with 97.8 percent on October 20, 1934. In parts of the important export region of Ukraine, which suffered from the effect of the drought this summer, grain deliveries to the Government were suspended until next year. The Government is carrying on an energetic drive to obtain additional grain in the regions where surpluses exist. Such purchases are in addition to the grain procured by the Government through the channels of special taxation, payments to the State Machine-Tractor stations, output of the State farms, etc. This additional grain is supposed to be purchased by government agencies in exchange for industrial goods, from the collectives (controlled by the political departments of the Machine-Tractor stations) and individual peasants, who have fulfilled all their obligations to the State but are, as yet, not permitted private market sale of their produce. 2/ The total quantity

1/ Prepared by the Foreign Agricultural Service.
2/ According to the law, collectives and individual peasants are permitted private market sales of grain only after a whole region fulfills its obligations to the State and provides the requisite seed reserves. The requirement, however, that the whole region must complete the plan before the collectives and individual peasants, who fulfilled their obligations, could sell the grain was waived this season in favor of the Government.

of additional grain purchased up to November 1 was estimated at 1,745,000 short tons. These purchasing operations are being continued and are expected to attain a larger figure. Last year an additional quantity of grain was also purchased by the Government after the procuring campaign ended, the total amount of such purchases having been limited to 100,000,000 poods, or approximately 1,800,000 short tons. This quantity was in addition to the 24,900,000 short tons procured by the Government in 1933 through taxation, etc.

Prices and World Trade

The downward trend in world prices which began in early August was apparently checked late in October. December futures at Liverpool which had reached a high close of 101-7/8 cents per bushel on August 10 declined to a low close of 72-7/8 cents per bushel on October 31. Some improvement in prices followed, but since November 8 they have been downward reaching a low of 68-1/2 on November 21. On November 22 they were 70-1/8 cents, but on November 13, December futures at Liverpool closed at 73 cents per bushel. Prices of futures at Chicago remained relatively firm and did not decline until November 20. In that market a high close of 113-3/8 cents per bushel for December futures was reached in early August at which time Chicago prices were only about 12 cents per bushel above Liverpool. The low closing price of December futures thus far reached since mid-July at Chicago was 94-7/8 cents per bushel on October 29. Recently Chicago futures have been in the vicinity of 25 to 30 cents per bushel higher than Liverpool. On November 22 December futures at that market closed at 98-1/8 cents per bushel.

The United States average farm price of wheat declined from 92.2 cents per bushel in mid-September to 88.5 cents in mid-October. Market price movements of the past month indicate that the November 15 average farm price will be slightly lower than that of October 15. The weighted average price of all classes and grades at six markets was 113.8 cents per bushel for October, compared with 119.2 in the previous month. At Kansas City, No. 2 Hard Winter declined from a September average of 107.5 cents to an October average of 102.2 cents per bushel, and for the week ended November 10 stood at 100.6.

Shipments of wheat from Argentina have been at unusually high levels thus far during the current marketing year. From July through September they averaged approximately 4,000,000 bushels weekly. Last year, on the other hand, Argentina's shipments averaged in the vicinity of 3,500,000 bushels weekly during July and August, but then declined steadily through September, and during October, November and early December averaged only about 1,500,000 bushels weekly. In 1932 they averaged less than 1,000,000 bushels weekly for the entire period July to mid-December. The continued high level of Argentine shipments is probably largely responsible for the decline in world prices which took place from early August through October. This high level of Argentine shipments, combined with offerings of French wheat on world markets, constituted a pressure of supplies too great to be absorbed at mid-summer price levels. Argentine shipments continued at an average level of about 4,000,000 bushels weekly until mid-October. They were, however, sharply lower during the latter half of October and early November, but again rose to 4,188,000 bushels for the week ended November 10, and 3,985,000 for the week ended November 17.

The improvement in world prices, which took place during early November, was apparently due in part to the decline in Argentine shipments. The action of the Canadian Government in pegging prices at Winnipeg, however, was probablya maj

or factors terminating the decline as were also reports of crop damage in both Argentina and Australia. North American shipments during the current season, have averaged close to 4,000,000 bushels weekly until the week ended November 3, when they amounted to only 3,400,000 bushels. For the week ended November 10, shipments again averaged 4,309,000 bushels but in the next week ended November 17, shipments were only 3,081,000 bushels, or the smallest since early September. Virtually all of the North American shipments were from Canada.

World shipments have averaged somewhat above 10,000,000 bushels weekly during the current season. They rose during July and August, reaching a high point of 12,500,000 bushels for the week ended August 25, then declined somewhat as prices receded. They rose again, however, during September, but declined sharply in mid-October, and for the last 2 weeks of the month averaged only about 9,100,000 bushels. For the week ended November 3, 10, and 17, they have amounted to 10,200,000, 12,400,000 and 10,400,000 bushels respectively.

Estimates of the amount of old crop wheat still remaining in that country indicate that Argentina could continue to ship between 3,000,000 and 4,000,000 bushels weekly from now until the end of December out of her old crop supplies without reducing stocks to an abnormally low level. This suggests that shipments during the next month may continue to be nearly as high as in the past 4 months and nearly as high as peak season shipments of the past 2 years. In neither of these years have Argentine shipments averaged above 4,000,000 bushels weekly for any considerable period during even the season of heaviest movement, and it has been on only rare occasions during these years that shipments in any single week have exceeded 5,000,000 bushels. In other years, however, peak season shipments have sometimes been higher. Thus, in the spring of 1929 they reached a level of about 8,000,000 bushels weekly, but they have never remained far above 5,000,000 bushels over any considerable period. Argentine exports and prices during the first few months of 1935 will depend largely upon the outturn of the 1934-35 Argentine crop.

Table 2.- Wheat: Closing prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	122	113	116	109	120	118	95	98	101	101	4/72	4/78
Low 3/	70	89	66	83	67	90	53	77	59	71	4/49	4/53
Oct. 20	82	97	77	96	80	104	59	78	62	74	51	55
27	88	96	82	95	84	103	62	78	65	75	55	56
Nov. 3	87	99	81	96	83	105	63	79	67	76	58	55
10	85	100	84	98	85	106	64	80	69	76	59	55
17	87	101	81	99	83	107	64	80	69	71	57	53

1/Conversions at noon buying rate of exchange. 2/Prices are of day previous to other prices. 3/July 1 to date. 4/October and November futures.

Table 3.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 Amber Durum 1/ Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	108	122	106	109	114	124	120	153	108	105	86	95
Low 3/	78	89	75	88	79	97	91	110	76	89	66	74
Oct. 20	78	116	75	104	79	116	91	147	76	101	66	87
27	83	112	85	101	87	114	96	142	88	99	75	85
Nov. 3	86	113	84	99	86	113	100	140	89	99	73	84
10	87	111	84	101	86	115	102	141	91	100	76	86
17	90	113	87	102	91	114	104	144	92	102	77	

1/ Hard Amber Durum 1934.
2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
3/ July 1 to date.

Table 4.- Wheat: Price per bushel at specified markets, in terms of United States currency, by weeks, September - November 1934

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/7/	Paris 6/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Sept. 8	107.9	120.5	79.5	65.2	85.9	68.1	213	202	211
15	108.7	123.5	80.8	64.4	85.2	68.2	215	202	208
22	106.8	120.5	79.0	61.4	80.4	68.1	216	202	208
29	106.0	118.0	78.3	57.2	76.7	68.8	215	199	204
Oct. 6	102.3	115.3	73.6	55.8	72.8	67.1	218	199	203
13	102.5	115.5	76.0	56.8	75.1	65.7	218	198	202
20	104.4	115.7	73.8	55.6	73.5	66.2	219	199	206
27	100.9	114.4	72.3	55.0	72.4	66.5	217	198	204
Nov. 3	99.4	113.5	72.2	54.0	74.4			197	
10	100.6	115.1	75.4	54.6	75.8				
17	102.4	114.2	75.6	53.8	72.0				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter.
2/ No. 1 Dark Northern Spring.
3/ No. 3 Manitoba Northern.
4/ Near futures.
5/ Home-grown wheat in England and Wales.
6/ Domestic.
7/ To August 15 fixed flour mill purchase price, from August 16, Central German wheat, wholesale trade price free Central German station.

The Wheat Outlook for 1935

Since the spring of 1933 wheat prices in the United States have been maintained at unusually high levels relative to world prices. This has been largely the result of 2 successive years of low production due to poor yields and heavy abandonment of wheat in the United States, but acreage reduction and the removal of surplus wheat from the Pacific Northwest through governmental aid have also tended to increase United States prices relative to world prices. It is much too early to make any forecast of the crop for 1935. Unless abandonment is heavy and yields are again below average next year, the new crop will provide an export surplus and it is to be expected that prices in the United States may be but little above an export basis during most of the 1935-36 season.

Although prices seem likely to be close to an export basis, by no means all of the gains of the last 2 years will be lost. There has been some improvement in the world wheat situation. Supplies are smaller than last year and at Liverpool wheat prices in terms of gold are above their levels of last spring. Part of this improvement may be carried over into the next crop season. Furthermore, in terms of the revalued dollar, prices would be increased by about 70 percent even in the absence of any increase in prices in terms of gold. During the latter part of October at Liverpool, December wheat futures were selling for about 80 cents per bushel in terms of United States currency, while at Chicago prices were about 20 cents per bushel above Liverpool. Prices at Chicago during the 1935-36 season may reasonably be expected to average somewhat below Liverpool rather than above. It is to be recognized, however, that so long as United States supplies do not greatly exceed probable domestic utilization plus a moderate carry-over, small changes in the prospect for supplies may cause comparatively large changes in the margin between prices in the United States and Liverpool. Similarly under such conditions, price relationships may be materially altered by any governmental action that may be taken to dispose of surplus wheat.

Adjustments in world wheat acreage

Such downward readjustment of acreage as has been made since wheat prices began their rapid decline in 1928 has occurred primarily in the United States. Reductions have also taken place in Canada, Argentina, and Australia, whereas Europe as a whole has greatly increased acreage. The increase of acreage in the normally importing countries of Europe has been the result of wheat prices that have been high relative to prices in exporting countries and in the freely importing markets of the world. The relatively high levels in these countries have been due primarily to high tariffs, to the establishment of import and milling quotas, and to other measures that restrict the use of foreign wheat in those countries.

The harvested acreage of wheat in the world, excluding Russia and China, for the crop year 1933-34 amounted to 247,000,000 acres, compared with a high point of 260,000,000 acres in 1930-31, and 259,000,000 in 1932-33. The reduction from 1932-33 to 1933-34 was due almost entirely to the 10,000,000 acre reduction in the wheat area of the United States. In the United States the area harvested has been reduced from a high point of 63,300,000 acres in 1929 to 47,500,000 in 1933, and 44,000,000 acres in 1934. The area planted in the United States declined from 71,137,000 acres for the 1928 crop to 66,511,000 for 1933 and 58,700,000 acres for 1934. Meanwhile, the Canadian acreage harvested declined from a high point of 25,300,000 acres in 1929 to

24,000,000 in 1934; the Australian area harvested, from a high of 18,200,000 acres in 1930-31 to 13,000,000 in 1934-35, and the Argentine acreage sown from a high point of 22,800,000 in 1928-29 to 18,500,000 (preliminary estimate in 1934-35. Importing countries of Europe, on the other hand, have increased their wheat area from 51,900,000 acres in 1929 to 57,300,000 in 1934 while in the lower Danube Basin the area has remained practically constant at between 19,000,000 and 20,000,000 acres.

The Russian wheat area, which recovered rapidly in the last decade and reached 92,100,000 acres in 1931, has been somewhat lower in the last 3 years. It amounted to 85,500,000 acres in 1932 and 82,100,000 in 1933. The harvested area for the current season is not available but the sown area is indicated to be about the same as in 1932, 89,000,000 acres. Most of the increase constituted a recovery to pre-war levels, furthermore the increase in Russian wheat production which has accompanied the extension of acreage, has been absorbed largely within Russia, and has had relatively little effect on world markets as compared with the effect that a similar increase in another exporting country would have had.

United States acreage for 1935

No estimates are yet available for the total United States wheat acreage sown or to be sown for harvest in 1935. The average acreage sown for the years 1930-1932 inclusive, the base period most used in the wheat contracts for the Agricultural Adjustment Administration's program is 65,958,000 acres. Acreage reduction contracts covering 79 percent of this acreage were signed, and cooperating farmers were required to reduce their acreage for harvest in 1934 by 15 percent. Unfavorable seeding conditions, however, reduced spring wheat seedings below the permitted area. The contracts also covered seedings for 1935, but the required reduction for the coming year is 10 percent instead of 15 percent. This represents an increase of about 2,600,000 acres in the permitted area of contract signers.

The estimated acreage planted for the 1933 crop was 66,511,000 acres and for 1934, 58,700,000 acres. The estimated acreage seeded for the 1934 crop therefore, represents reduction of 11.0 percent from the base period 1930-1932. Part of the reduction in acreage for the 1934 crop was due to unfavorable seeding conditions. The extent to which reduction from the base period, of acreage under contract will be offset by increased plantings on the part of nonsigners has not yet been determined. There is some indication, however, of intentions to increase the wheat acreage, especially in the eastern Wheat Belt where a much smaller proportion of the farmers signed wheat contracts than in the Great Plains and Western States. The need for additional fall and winter pastures due to short feed crops has also stimulated seeding.

It would seem from an examination of all of the factors that the acreage which has been and will be planted for harvest next year is likely to be 5 or 6 percent less than the acreage sown for the base period 1930-1932, but above that seeded for harvest in 1934. This would indicate an area to be sown for harvest in 1935 of somewhere around 62,000,000 acres. This acreage, with average abandonment and yields would result in a crop of approximately 790,000,000 bushels. Such a crop would exceed probable domestic utilization for the crop year 1935-36 by about 165,000,000 bushels.

The last statement above included in the Agricultural Outlook for 1935 was taken in some quarters as a forecast of the outturn of the 1935 crop. Although in part of the Great Plains area moisture is still deficient and it is doubtful whether these regions could obtain average yields on the area sown, weather or crop conditions this early in the season give no significant indication of probable yields of all wheat for the country as a whole. The fact that a crop of about 790,000,000 bushels would result on an area of 62,000,000 acres if abandonment and yields are average should not in any sense be taken as a forecast of the 1935 crop. Instead it merely provides an indication of what the average outturn would be over a period of years if the area is maintained at the acreage mentioned. It is significant, however, that, based on the variation of abandonment and yields about their average in years past, there is only one chance in three that the divergence of abandonment and yields from their average will result in a crop more than about 100,000,000 bushels above or below that suggested by the averages.

The actual situation will, of course, depend largely upon yields in 1935. However, the above reasoning indicates that the chances are good that the United States will have a considerable export surplus of wheat in 1935-36. In the absence of any special measures (such as governmental aid to exports and storage) to relieve its pressure on the market, such a surplus would probably result in the United States prices both west and east of the Rockies being on an export basis at some time during the year and in an average level of prices not much above an export basis.

Wheat prices

Under normal conditions the spread between United States prices and world prices is closely related to the quantity of wheat the United States exports. Over short periods the quantity exported is determined primarily by the price spread, whereas over long periods, the quantity that needs to be exported largely determines how high United States prices are, compared with world prices -- the larger the surplus the lower the United States price. In almost every year, prices in some regions of the United States are on an export basis for at least a part of the year, and this usually means that Chicago prices must be about 10 to 20 cents per bushel (assuming present-day freight rates) below Liverpool during such periods. In exceptional years such as 1925-26, 1930-31, 1933-34, and thus far during the current year, United States prices have been far above an export basis throughout a large part or all of the year.

In 1925-26 this fact was due to the extremely short crop of United States winter wheat harvested that year. During the latter half of 1930-31 it was due primarily to the operations of the Grain Stabilization Corporation. In 1933-34 relatively high United States prices were due partly to the very short crop of wheat, a crop which was below domestic consumption by about 75,000,000 bushels, but this influence was reinforced by prospective acreage reduction under the Agricultural Adjustment program and by the governmental aid given to exporting in the Pacific Northwest. During July 1933, the expectation of further depreciation of the dollar was also an important contributing factor. In the current season, production in the United States was even smaller than in 1933, and with a smaller carry-over at the beginning of the year prospects are that the United States carry-over as of July 1, 1935, will be reduced to about a normal level, even though some durum and hard red spring wheats are imported. In consequence of these short supplies, United States prices have been held at a level little below an import basis for non-premium wheats.

Prices of wheat in the unprotected markets of the world began to fall rapidly in the latter half of 1929 and continued to do so with little interruption until the late summer of 1931. In Great Britain prices advanced rapidly in the fall of 1931 as a result of the depreciation of the pound sterling, but in terms of the currencies of gold-standard countries prices declined somewhat further in the 2 following years and reached their lowest levels in the spring of 1934. There was some improvement during the late spring and summer months, but Liverpool futures in terms of our former gold dollar are now a little less than 50 cents per bushel. The rise that has taken place in Liverpool prices since the beginning of 1933, when converted to terms of United States currency, has been due primarily to the depreciation of the dollar.

Even as there has been but little improvement in world wheat prices when measured in terms of gold there has been but little improvement in the world wheat situation. The pressure of surplus stocks has been considerably relieved by 2 successive years of low yields in the United States and Canada, but acreage sown for the world, excluding Russia and China, has declined but little. Decreases of the wheat area in the United States, and to a lesser extent in Canada, Argentina, and Australia, have been largely offset by increases in Europe, and import barriers against wheat remain very high in most continental European countries. Further improvement in the world wheat situation may be expected but it will presumably be slow as will also the further recovery of world prices.

Seeding for the 1935 Wheat Crop 1/

Central European countries

Germany - Fall sowings have taken place under favorable weather conditions in Germany and the new grain is generally reported to have made a good start. While rainfall during the 3 months of August, September and October has been approximately normal, taking the country as a whole, some regions, notably in the western and partly in the central, have had less than normal rainfall. A replenishment of the normal subsoil moisture would be desirable in many sections, the prolonged shortage of which could develop into a serious situation. No estimates of the fall sown acreage are yet available, but there have been indications that farmers are turning to feedstuffs production to some extent at the expense of bread grain. This is attributed to the partial feed shortage experienced this year, and also to the narrow price spread between bread grains and feed grains. Whether or not this development has gained any importance is yet difficult to say.

Poland - Recent reports indicate the probability that there will be considerable acreage expansion of oilseeds in Poland. This appears particularly true of rapeseed, although flax and hemp acreage is reported likely to be increased also. The effect of this expansion in the area planted to grain, however, will probably be very slight because the latter is so large as compared with the present unimportant oilseed area.

1/ Based on reports from Gordon P. Boals, Assistant Agricultural Attaché, Berlin, Germany, October 31, L. D. Mallory, Assistant Agricultural Attaché, Paris, France, October 23, and Louis G. Michael, Agricultural Attaché, Belgrade, Yugoslavia, October 19.

Czechoslovakia - It is believed that some small shifts in grain acreage may take place in Czechoslovakia as the result of warnings by the Grain Monopoly organization to the effect that the present level of fixed prices is valid only for the 1934-35 crop year and that for next year prices will have to be adjusted to market conditions. The organization recommended that farmers replace some of the acreage under grain by other crops, particularly industrial, such as rapeseed, soybeans, flax, etc.

Austria - Autumn sowings in Austria began comparatively early this year and after a temporary interruption by a spell of poor weather toward the end of August and the beginning of September were brought to an end under very favorable conditions. Sprouting is reported to be good.

Western Mediterranean countries

Italy - For the beginning of the crop year everything appears favorable. Moisture in mid-October was plentiful in the important grain areas. Land appears to have been well prepared and seeding was started in good weather.

France - The soil in France was well prepared and sowings were reported making good progress. Following excellent fall weather, cold set in shortly before the middle of October and was general over France.

Spain - Prospects in Spain in mid-October were neither good nor bad, the amount of rain during the following few weeks being the determining factor.

Morocco - Up to October 10, rainfall was rather less than normal, particularly in the North. This is not as yet serious because fall sowings had not been started to any degree by the middle of the month. The timely arrival of late October and November rains, however, will be important.

Algeria - A period of dry weather followed by cold existed up to the middle of October. Rains are needed.

Tunisia - Rainfall at most points was sufficient to start the crop year under good conditions.

Danube Basin countries - Weather conditions in the Danube Basin countries have been favorable. Fall seeding was started early and had made considerable progress by mid-October. It is believed that on account of the relatively high wheat prices received by Danubian farmers during the present season, the 1935 acreage will be in excess of the present year's acreage. Reports to this effect have already been received from Rumania, where the Government now buys wheat from farmers at a price equal to almost the double of the export parity.

Russia 1/

An area of 87,995,000 acres was sown to winter crops (principally winter rye and wheat) up to October 25, constituting 95 percent of the sowing plan. This figure represents a larger acreage than was sown on this date during the past 3 years, but a slightly smaller acreage compared with 1930. It is significant, in view of the well recognized favorable effect of early sowings on yields, that a larger acreage was sown at earlier

1/ Prepared by the Foreign Agricultural Service.

dates in the fall of 1934 than in any year since 1930. This can be seen from the following tabulation of fall seedings on specified dates:

Date	1930	1931	1932	1933	1934
		(1,000 acres)			
Sept. 1	17,018	24,935	16,390	29,066	38,345
15	45,256	56,658	45,116	50,695	64,599
Oct. 1	68,639	73,268	65,422	66,850	78,785
15	81,711	82,408	78,963	78,427	85,380
25	88,830	87,461	85,511	84,392	87,995

Notwithstanding the progress made, sowings in different regions were not completed within the officially set, presumably optimum, periods. Thus, by September 1 the whole northern part of European Russia was supposed to complete the fall seeding campaign. A number of regions however, fell short of the goal. The western region, for instance, seeded only 54 percent of the acreage specified in the plan up to September 1; Moscow region, 81 percent; Ivanovsk Industrial, 88 percent, etc. The Volga and Central Black Soil regions, which should have completed their sowings during the first part of September, likewise had from a fifth to a half of the sowing plan incomplete by September 15. All of Ukraine, North Caucasus, Azov-Black Sea region, and Crimea, which comprise most of the winter wheat belt of the Soviet Union, should have completed their sowings by the middle of October. Only two out of eight regions of Ukraine had 100 percent completion of the plan by October 15; North Caucasus completed the plan 91 percent, and Azov-Black Sea region, 89 percent, and Crimea, 88 percent. By October 25, North Caucasus exceeded the sowing plan by 3 percent, while Ukraine, Azov-Black Sea region and Crimea seeded 97, 96, and 93 percent of the plan, respectively. A particularly unsatisfactory situation exists in Kazakstan, where the sowings should have been completed in all districts early in October, but only 68 percent of the plan was completed by October 25.

The warm weather which prevailed in August and September made for a vigorous growth, particularly in the case of rye. The importance of a good snow cover is rather great in the southern regions of the Union, both to protect the crops from the frosts and to provide sufficient soil moisture in the spring. The supply of subsoil moisture is believed to be below average in many regions of the Union and there was generally little rain during the autumn months this year in the southern regions, especially Ukraine.

A feature of this year's fall campaign is the large acreage plowed for sowing in the spring of 1935. It is claimed that the experience with 1934 crops showed especially well the important effect of good fall plowing on the yields. 1/ An area of 69,462,000 acres was plowed up to October 25, compared with 47,604,000 acres a year ago. The plan of fall plowing was 67 percent completed up to October 25, compared with 53 percent completion on the same date a year ago. The plan this year, however, is about 14,000,000 acres above 1933. Complaints were therefore, voiced

1/ Socialist Agriculture, October 22, 1934.

in the Soviet press of insufficient progress in plowing operations in view of the approaching end of the campaign, as well as of the poor quality of plowing in a number of regions.

The Rye Export Agreement between Germany, Poland and Soviet Russia

An export agreement between Germany, Poland and Soviet Russia was concluded at the end of September and is now awaiting ratification by Soviet Russia. This agreement really provides for the participation of the Soviet Union in the existing German-Polish rye agreement which was renewed by the two countries on August 1 of this year. The provisions, in general, aim at preventing undue pressure on export prices, through mutual agreements on minimum quotations, maximum quantities to be stored in the ports of consuming countries and the like.

In the new arrangement, Soviet Russia has reserved freedom of action in regard to wheat and wheat flour; the original German-Polish rye agreement involved not only rye and rye flour, but also wheat and wheat flour. None of the countries are permitted to have more than 25,000 metric tons or 984,000 bushels of rye stored in a European free port unless approval is secured from the other two parties.

This year, world import trade requirements for rye appear larger than usual while export surpluses are not large. Thus, exports should generally bring favorable prices, and in such a situation both Poland and the Soviet Union are interested in preventing disorganized competition in export markets. While Germany is a party to the agreement, its significance to her this year is relatively small because of her inability to export rye, except possibly small quantities in exchange for feed grains. The rye market situation this year is particularly favorable for the participation of the Soviet Union in the agreement, as it does not demand the establishment of export quotas while reasonable fixing of minimum export prices required by the agreement is unlikely to impair the prospects for sale of the surpluses. Poland, on the other hand, will welcome the opportunity of being relieved, at least to some extent, of the financial burden involved in the paying of high export premiums necessary to the quoting of competitive prices in foreign markets.

With Poland and Russia in the agreement, the world rye market should be somewhat more stabilized, as the exportable surpluses of other European countries, including Sweden, the Baltic States and Hungary, are relatively small. Argentina appears to be the principal disturbing element in the rye market outlook situation.

The French Wheat Situation

It continues to appear likely that there will remain an abnormal carry-over of wheat in France at the end of the crop year, if further measures, in addition to those now in force, are not undertaken. In the field of exports, it appears that new funds must be made available before further licenses can be issued. The recent fund for the defense of the wheat market is made up by a tax of only 5 cents per bushel which is not large enough to support further activities. However unpopular any further assessment on wheat might be, or the extent of general alarm if the money is taken from the French treasury, some members of the trade believe that further export authorizations will be granted. In late October the situation appeared relatively quiet and an Italian news note stated that French offers in Italy were less pressing and prices were somewhat resistant.

There is a great demand on the part of the grain trade and millers that the regulation of the wheat market be lifted. A section of agricultural opinion agrees with this view except for the 1933 stocks which they demand be removed by one means or another. On the whole, however, the temper of the farming population appears to be such that the Government will continue the present system until next spring at least, and very likely until the next harvest.

The Continental European Wheat Market Situation during October 1/

October import business in most European countries was rather limited and was largely restricted to takings from neighboring countries or those with which special trade and compensation agreements exist. This development is characteristic of the general trend of foreign trade in Europe. Holland and Belgium, however, made some important purchases of Argentine and Canadian wheat, particularly during the second week of the month. These two countries are the only really important continental markets at present for overseas wheat. Germany bought some wheat and rye from countries with which she has compensation agreements. Denmark bought some French and Swedish wheat and Italy some French wheat. Thus far Italy has not taken much of her Hungarian wheat contingent. Czechoslovakia bought some wheat from Yugoslavia for forward delivery and Austria purchased some occasional lots of good grade Hungarian wheat.

Holland and Belgium

Large purchases of Argentine wheat were recorded by Holland early in October. At the same time considerable improvement in flour mill sales of flour in Holland was reported. Later, however, business quieted down considerably and hand-to-mouth buying prevailed to the end of the month. Belgium reported small business all during the month, but purchased conservative quantities of Manitobas and Plates.

Italy

Prices of representative Italian bread wheats held fairly steady during the month. The market tended to be rather firm with the outlook favorable. Collective stocks from the previous year are being sold only gradually and current requirements will tend to maintain the tone of the market. The demand for durum wheat has been fairly active and prices show some increase.

1/ Based on reports from Gordon P. Boals, Assistant Agricultural Attaché, Berlin, Germany, October 31, and Louis G. Michael, Agricultural Attaché, Belgrade, Yugoslavia, October 19, 1934. All price quotations have been converted at current rates of exchange.

France

There have been few new developments in the domestic wheat situation in France. The Minister of Agriculture recently issued a decree obliging holders at their own expense to denature all wheat not sound and merchantable, converting it to feed use only. This decree is not likely to have any repercussions on the market.

Denmark

At the end of August, the December 1933 law establishing import duties on grain expired. It was the purpose of the duty originally to raise the price of feed grains by from $22 to $26 per short ton. Inasmuch as the desired level was reached and even surpassed by free market prices a prolongation of the import duty provisions was considered not necessary.

For the period September 1 to December 31, 1934 monthly import licenses for the importation of grain will be allotted by the foreign exchange control to the extent of 35 percent of the average monthly imports in the year 1932.

Czechoslovakia

Bread grain markets in Czechoslovakia were generally quiet during the month of October, largely because of the fact that flour mills have on hand considerable quantities of socalled market intervention grain which they were obliged to purchase from the monopoly stocks. Flour sales were reported unsatisfactory. Toward the end of the month some improvement developed in flour mill demand for wheat of high gluten content.

Austria

The Viennese market showed little reaction to world market movements and was not greatly affected by the price break at the beginning of October. Wheat business was quiet throughout the month and was limited to current needs. Transactions mostly included domestic wheat, but best Hungarian qualities were also in demand. Flour sales were generally reported as unsatisfactory, although importations of foreign flour are greatly restricted. In regard to the latter, negotiations have taken place between Austrian and Hungarian flour mills aiming at the establishment of an agreement between both industries, which should enable Hungarian flour mills to sell larger quantities of flour in Austria. This will probably be done through the sales organization of Austrian flour mills. Domestic offers of grain were relatively small. As was the case last year, the agricultural cooperatives are again obliged to purchase, at the current market price, all farmer grain offered them, but so far Austrian farmers have not made extensive use of this possibility.

Greece

The price of import wheat on the Pireus Grain Exchange declined since the middle of September. The October 13 price was 74 cents per bushel compared with 83 cents per bushel on September 15. The September average was 81 cents compared with the August average of 86 cents per bushel.

Germany

The Reich Grain Office made import purchases of rye and wheat in those countries with which Germany has voluntary clearing agreements. During October a new voluntary clearing agreement was concluded between Germany and Argentina. It is reported that in September, Germany bought 1,837,000 bushels of wheat in France and a like amount in Argentina. Some rye was also purchased from Sweden and Estonia. The general market situation was characterized by relatively abundant current supplies of wheat but limited supplies of rye as a result of small farmer offerings. This reflects the general grain supply situation in the current crop year. Farm offerings of feed grains, like those of rye were also greatly restricted.

Rumors in regard to prospective further regulating measures in the field of the grain industry indicate that a new bread law is to be issued which will prescribe fixed bread prices, fixed weights and fixed qualities of bread. It is also expected that the reduced potato tariff which is now 22 cents per bushel and which had been extended from October 15 to October 31 will again be prolonged for a limited period of time.

Poland

October grain prices in Poland have declined considerably as a result of an interruption in the State Grain Office's market supporting activity. The reasons for the temporary discontinuance of supporting purchases are not definitely known, but the press indicates that, on the one hand, supporting purchases to date may already surpass the surpluses from this year's supplies and, on the other hand, that the funds at the disposal of the Grain Agency are temporarily exhausted. Neither situation would necessarily mean effective opposition to the temporary supporting of the market.

The grain exchange prices in Poland at present are largely considered fictitious, and prices actually paid during the second half of October are reported to have been approximately 20 percent below official quotations. The stocks of the Grain Agency and the pressure on the markets were relieved in September and early October by extensive sales and exports of rye, particularly to the United States and western Europe.

Sweden

During the month of September Sweden exported significant quantities of wheat and rye, notably to Denmark and Germany, but during October wheat exports were hampered considerably by the competition in foreign markets of French wheat. At the middle of October, press statements indicated that of the total rye surplus a substantial quantity has already been disposed of through exportation and denaturing for feeding purposes. Early October prices, free railroad Malmö amounted to $1.07 per bushel of wheat and $0.93 to $0.95 per bushel of rye.

Estonia

The Government decided to purchase from farmers this year 367,000 bushels of wheat and 1,181,000 bushels of rye. Farmer offerings, however greatly surpassed these quantities amounting to 1,102,000 bushels in the case of wheat and 2,362,000 bushels in the case of rye. The wheat purchased by the Government will be exported to Finland, while the rye may be disposed of in central and western Europe. Government stocks of old rye at the beginning

of September had declined from 1,102,000 to 512,000 bushels as a result of a sale of 590,000 bushels presumably to Germany.

Latvia

Since September 15, the grain trade in Latvia is subject to special license and may only be carried on by firms which are in possession of such permits. From September 25 to October 8, the Ministry of Agriculture purchased 25,427 short tons of grain, of which 15,740 short tons were exported. The remainder was partly sold on the domestic market and partly stored. During the month of September considerable quantities of Latvian rye were sold to the United States. Press reports indicated two such sales, the first amounting to 295,000 bushels and the second to 315,000 bushels.

Danube Basin countries

Government organizations in the Danube Basin countries continued actively to buy wheat from farmers. The Bulgarian Government Bureau bought good grade wheat at $1.28 per bushel. In Hungary, the market price for wheat was constantly at a level slightly above the official minimum prices. In Rumania, the wheat commissioner continued actively to buy wheat for resale on domestic markets later in the season. Common wheat was purchased at about $1.25 per bushel at provincial stations, whereas good grades were bought at around $1.37 per bushel. The Yugoslavian Privileged Export Company also continued to buy wheat for export, paying about 84 cents per bushel for good wheat delivered at river stations. This price compared with 77 cents per bushel for common wheat at the Novi-Sad Exchange.

Oriental Wheat Markets 1/

China

Wheat prices in Shanghai were lower during the last half of October but by the first week in November had risen again to about mid-October levels. During the week ended November 16 they remained fairly steady. For that week wheat prices, c.i.f. Shanghai, were quoted as follows: Australian 76 cents per bushel in bags, Argentine 74 cents per bushel in bulk, and domestic standard 70 cents per bushel for November and 72 cents per bushel for December delivery. Shanghai November flour was quoted at 82½ cents per bag of 49 pounds, and December 82 cents. Australian flour, c.i.f. Hongkong was quoted at $2.89 per barrel of 196 pounds.

According to the November 16th report Shanghai mills continue to operate at near full capacity. Some mills were reported likely to close, however, due to lack of wheat supplies. Interest has been shown in foreign wheat but extensive buying for future needs appears lacking due to competition between Argentina and Australia giving the impression that prices might be lower rather than higher. Further foreign wheat sales appear to depend on some rise in flour prices or decline in foreign quotations. Season flour movement continues at a good rate but the market outlook is only fair. Flour stocks at Shanghai were 1,000,000 bags. Tientsin October flour production was 220,000 barrels, Shanghai imports 217,000 barrels, foreign none; total stocks at the end of October 341,000 barrels.

1/ Based on cabled reports from Agricultural Commissioner O. L. Dawson, Shanghai, China.

Imports of flour into China during September were reported as follows: United States 9,016 barrels of 196 pounds, Australia 7,609, Canada 6,912, Japan 1,372, and others 43; total 24,952 barrels. Imports of flour into South . . Manchuria during September were as follows: Japan 875,816 bags of 49 pounds, United States 32,000, Canada 7,000, Australia 1,007,074, Shanghai 357,000, and Chosen 16,358 bags.

Japan

Prospects for imports of United States wheat into Japan are not good due to Australian wheat being cheaper, according to information from Consul General Garrels at Tokyo cabled by the Shanghai office November 14, 1934. Stocks of wheat on hand September 1 were considered normal. Mills were active due to delivery of export contracts. The domestic market was strong with export demand only fair.

Wheat prices at the mill in Tokyo on November 1 were reported as follows (foreign quotations include duty and landing charges): Canadian No. 1, $1.22 per bushel, No. 3, $1.12; Australian $1.01; domestic standard $0.80 per bushel; Portland wheat c.i.f. Yokohama $50.65 per ton. Imports of wheat into Japan during September were reported as follows: American 191,000 bushels, Canada 257,000 bushels, Australia 362,000 bushels, others 47,000 bushels; total 857,000 bushels. Total flour exports in September amounted to 246,000 barrels of 196 pounds.

Table 5.-United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35

Period	Wheat		Wheat flour		Wheat including flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 1 - July 28	21	28	160	127	773	625
July 29 - Sept. 1	19	2,158	228	280	1,091	3,474
Sept. 2 - Sept. 29	133	108	152	221	847	1,147
Week ended						
Oct. 6	1	44	36	85	170	444
13	8	0	35	17	172	80
20	0	11	20	47	94	232
27	4	3	30	41	145	196
Nov. 3	2	1	28	43	134	203
10	12	146	17	65	92	452

Compiled from a weekly report of the Bureau of Foreign and Domestic Commerce.

Table 6.- Wheat, including flour: Shipments from principal exporting regions, specified dates, 1933-34 and 1934-35

Period	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1 -July 28	14,140	14,676	8,728	7,648	0	112	14,296	13,192
July 29-Sept. 1	16,464	19,716	8,904	9,288	0	248	20,568	21,144
Sept.2 -Sept.29	7,896	15,764	7,548	6,884	1,008	48	17,328	14,920
Week ended								
Oct. 6	816	4,456	1,312	1,720	744	0	5,096	4,616
13	1,264	4,276	800	2,804	384	0	5,256	3,128
20	1,328	2,800	984	1,232	928	32	6,320	4,352
27	1,364	1,568	916	2,256	776	0	4,464	3,920
Nov. 3	1,388	1,964	1,424	3,216	1,176	0	4,224	3,407
10	928	4,188	1,220	2,812	528	80	5,272	4,309
Total, July 1 - Nov. 10	45,538	69,408	31,836	37,860	5,544	520	82,824	72,988

Compiled from Broomhall's Corn Trade News.

Table 7.- Continental European stocks of wheat, September and October, 1933 and 1934

Position	1933		1934	
	Sept.	Oct.	Sept.	Oct.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Antwerp 1/	1,815	3,557	2,263	4,593
Rotterdam 1/	3,178	4,134	2,447	2,627
Wheat stocks 12 principal continental ports (includes above two ports) 1/	6,627	9,366	6,944	9,733
Berlin (wheat and flour) 2/	1,775	1,991	2,440	2,928
Hamburg (rough estimate) 1/	404	459	367	312
Bremen 1/	0	0	33	0
German farm stocks 2/		162,038		117,873
German "second-hand" stocks (wheat and flour) 2/ 3/	27,741	38,250	57,687	4/64,117
Swedish mill stocks of wheat 2/	2,796	2,984		

1/Middle of month.
2/First of month.
3/In warehouses and flour mills. These totals are estimated to include 95 percent of all the stocks in warehouses and flour mills, and therefore must contain most of the Berlin, Hamburg, and Bremen data.
4/Preliminary.

Table 8.- Wheat, including flour: Movement from principal exporting countries, 1931-32 to 1933-34

Country	Exports as given by official sources						
	Total			July 1 to date shown			Date
	1931-32	1932-33	1933-34	1932-33	1933-34	1934-35	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	135,797	41,211	37,002	14,680	4,642	8,203	Sept. 30
Canada	199,563	267,342	198,555	112,585	77,484	74,622	Oct. 31
Argentina	144,920	120,272	144,854	13,762	44,160	65,691	Oct. 31
Australia	155,451	148,060	86,674				
Russia	71,829	19,183	33,787				
Hungary	18,064	7,010	29,615				
Yugoslavia	15,369	1,162	835				
Rumania	37,481	186	248				
Bulgaria	11,795	3,144	4,769				
British India (L&S)	3,870	2,169	1/1,980	458	189	139	July 31
Total	794,139	609,739	538,319				

	Shipments as given by trade sources						
	Total		Week ended			July 1 - Nov. 10	
	1932-33	1933-34	Oct. 27	Nov. 3	Nov. 10	1933	1934
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	298,504	220,616	3,920	3,407	4,309	82,824	73,988
Canada, 4 markets 3/	289,257	194,213	5,643	6,162	6,775	98,009	103,937
United States	41,211	37,002	196	203	452	6,354	9,805
Argentina	115,412	140,128	1,568	1,964	4,188	45,588	69,408
Australia	153,400	90,736	2,256	3,216	2,812	31,836	37,860
Russia 4/	17,408	26,656	320	584	0	11,608	2,816
Danube and Bulgaria 4/	1,704	15,872	0	0	80	5,544	520
British India	5/2,169	1/1,980	0	8	0	0	312
Total 6/	588,597	495,988					
Total European shipments 2/	448,672	401,560	7,240			7/ 138,760	7/ 137,416
Total ex-European shipments 2/	164,256	123,352	2,176			7/ 32,896	7/ 38,808

1/ Land trade not reported for March.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ To October 27.

Table 9.- Wheat, including flour: Net imports into European countries, 1932-33 to 1934-35

Country	1932-33	1933-34	Net imports reported July 1 to	1933-34	1934-35
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	217	216	Sept. 30	56	54
France	39	18	Aug. 31	4	2
Belgium	41	41	Aug. 31	6	8
Netherlands	26	24	Sept. 30	10	4
Italy	13	8	Aug. 31	1	1
Greece	20	1/ 9			
Switzerland	19	18	Sept. 30	5	4
Irish Free State	2/ 18	2/ 19	Aug. 31	2/ 3	2/ 4
Germany	9	3/- 4	Sept. 30	4/	4
Denmark	12	12	Sept. 30	4	4
Austria	13	11	Aug. 31	2	2
Czechoslovakia	7	5/	Sept. 30	2	4/
Norway	8	9	Sept. 30	2	2
Sweden	4	2	Sept. 30	4/	5/
Spain	8	5/	Aug. 31	5/	5/
Finland	4	4	Aug. 31	1	1
Portugal	3	1	July 31	4/	4/
Latvia	4/	0			
Estonia	4/	4/	July 31	0	0
Poland	3/ -1	3/1	Sept. 30	5/	3/ -2
Total	460	386		96	88

Compiled from official sources.
1/ Nine months.
2/ Total imports.
3/ Net exports.
4/ Less than 500,000 bushels.
5/ Net exports of less than 500,000 bushels.

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December 29, 1934

WORLD WHEAT PROSPECTS

Summary

The 1934-35 world wheat crop, outside of Russia and China, is now estimated by the Bureau of Agricultural Economics, to be the smallest since 1925-26. The total for the current year is about 3,420,000,000 bushels. This represents a reduction of about 302,000,000 bushels from last season's harvest and a reduction of 342,000,000 bushels from the average production during the past 5 years.

The revised estimate of the 1934 production in the United States is 496,469,000 bushels. The official estimate of the Canadian crop remains unchanged at 275,252,000 bushels. Due to upward revisions in production estimates in France, Germany, Rumania and England, the total figure for Europe, excluding Russia is now placed at about 1,516,000,000 bushels. The estimate for Africa remains unchanged at about 124,000,000 bushels while that for Asia has been increased to about 511,000,000 bushels. Present conditions in Argentina now seem to indicate a production of about 252,000,000 bushels for 1934-35 compared with 286,120,000 bushels harvested last year. The official October estimate of the Australian production of 137,000,000 bushels has not been revised.

With world shipments running at slightly higher levels than last year, and the Southern Hemisphere crop apparently about 75,000,000 bushels below that of last year, prospects are for some strengthening of world prices during the next few months. An increased spread between prices in the United States and Liverpool appears to have been due to a combination of factors including reports of heavy feeding of wheat, serious deficiencies of moisture in the western Great Plains region and the rapidly rising prices of corn.

Current wheat stocks in the United States on December 1 are estimated by the Bureau of Agricultural Economics to be around 485,000,000 bushels, made up of about 190,000,000 bushels of hard red winter wheat, 115,000,000 bushels of soft red winter, 103,000,000 bushels of hard spring, 62,000,000 bushels of white and 16,000,000 bushels of durum.

It now appears that we are likely to import about 10,000,000 bushels of durum and possibly as much as 8,000,000 bushels of hard red spring wheat east of the Rockies this year for milling and seed purposes, although the total wheat production in the United States is greater than total requirements. There is an excess of some classes, principally white wheat. Because of our feed-grain shortage this year and the availability of damaged wheat in Canada, considerable low-quality wheat classified as unfit for human consumption has been imported at the 10 percent ad valorem rate of duty. From July 1 to December 8 well over 1,500,000 bushels of such wheat from Canada cleared custom's custody.

The Continental European bread grain situation during November was characterized by larger prospective import requirements, the favorable condition of fall-sown crops, the probability of insignificant changes in the bread grain areas, and further confirmation of the practical elimination of Russia as an exporter this season. Trade in overseas grains was fairly active during the first part of November as a result of rising prices, but later in the month buyers became cautious as a result of the depressing effect of Argentine and French offers.

Wheat Production in 1934-35

Present estimates of the 1933-34 wheat production indicate the smallest world wheat crop, exclusive of Russia and China, since 1925. Estimates of the production in the Northern Hemisphere and condition reports from the Southern Hemisphere point to an estimated world production this year of 3,420,000,000 bushels, or a reduction of about 302,000,000 bushels from the 1933-34 harvest and a reduction of 342,000,000 bushels from the average production during the past 5 years. This total is based on reports from countries which represent

nearly 98 percent of the world total production, outside of Russia and China. Data for the Southern Hemisphere countries are preliminary and are subject to revision.

The revised estimate of the 1934 production in the United States is 496,469,000 bushels, the smallest wheat crop since 1890. This estimate compares with the 1933 crop of 528,975,000 bushels and the 1932 crop of 745,788,000 bushels. The official estimate of the Canadian crop has not been changed from the 275,252,000 bushels reported last month.

Europe, excluding Russia, reports a total production of 1,516,000,000 bushels. This is the second largest European crop ever recorded, being exceeded only by the 1933 harvest. This total has been increased during the past month by increases in the estimates of the production in France, Germany, Rumania and England. Practically no change has been reported for the North African or Asiatic countries during the past month.

The official October estimate of the Australian production of 137,000,000 bushels has not been revised, altho it is now estimated by the trade that the official figure is around 7,000,000 bushels too high. The International Institute of Agriculture reported on December 14 that crop conditions in Western Australia were mediocre and yields were generally below average due to the lack of rain and to rust damage, while in New South Wales too much rain had delayed harvesting. In Victoria conditions were fair to good and those in New South Wales had improved. Slight damage by locusts was reported by South Australia, New South Wales and Victoria.

A report from Mr. Nyhus of the Buenos Aires Office of the Foreign Agricultural Service stated that yields in Argentina are extremely uneven but due to the excellent early developments, yields in the northern half of the wheat area should equal the 10-year average. The major part of the crop in the southern area is green and about 3 weeks late. The final outturn is still uncertain but the condition of the crop especially in the western portion of the Province of Buenos Aires and the Territory of La Pampa continues unusually promising. Mr. Nyhus believes the present conditions justify a yield of about 14 bushels per acre or a total production of about 1/ 245,000,000 bushels compared with 286,120,000 bushels harvested last year. It is assumed that abandonment will be less than usual this year or about 5 percent of the sown area. The grain has been bleached and shrivelled by the excessive rains and also damaged by frosts. A considerable part of the grain in the North has a low test weight.

Each new report brings additional confirmation of drought damage in Russia this year. The recent speech of Kalinin, who is chairman of the Executive Committee of the USSR is of interest in this connection. He stated that the drought in the southern regions of the Union was very prolonged, and that the Steppe regions of the Ukraine and particularly the Dnepropetrovsk and the eastern section of the Odessa region experienced less rainfall than in 1921. Drought was also reported from the Asov Black Sea region. Mr. Kalinin, however, indicated further that the grain crops in the remaining regions of the Union were "at least not below average", and that in the East and in Western Siberia yields were excellent. Harvesting appears to have taken place under favorable conditions, though reports from the eastern regions indicate serious difficulties.

1/ The official production estimate received December 21 is 252,059,000 bushels.

Table 1.- Wheat: Production in specified countries, 1931-32 to 1934-35

Country	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:				
United States	932,221	745,788	528,975	496,469
Canada	321,325	443,061	269,729	275,252
Mexico	16,226	9,658	12,122	10,104
Total (3)	1,269,772	1,198,507	810,826	781,825
Europe:				
England and Wales	35,915	41,253	58,725	65,256
Scotland	1,792	2,240	3,472	4,152
Northern Ireland	106	121	227	
Irish Free State 1/	781	831	1,983	3,360
Norway	592	749	755	1,168
Sweden	17,033	26,500	29,204	29,578
Denmark	10,053	10,997	11,728	12,493
Netherlands	6,751	12,837	15,325	17,196
Belgium	13.817	15,376	15,067	14,101
France	264,117	333,524	362,330	332,000
Spain	134,427	184,207	138,235	180,042
Luxemburg	406	719	995	896
Portugal	12,999	23,400	16,013	20,486
Italy	244,415	276,922	297,987	232,687
Switzerland	4,045	4,001	4,799	5,071
Germany	155,546	183,830	205,920	166,541
Austria	11,009	12,193	14,616	13,239
Czechoslovakia	41,232	53,737	72,921	50,014
Greece	11,228	17,067	28,385	31,359
Poland	83,220	49,472	79,883	63,468
Lithuania	8,335	9,423	8,192	9,907
Latvia	3,388	5,292	6,725	7,918
Estonia	1,738	2,085	2,450	3,197
Finland	1,121	1,483	2,460	2,822
Malta	277	301	305	310
Total (24)	1,064,237	1,268,439	1,378,475	1,267,261
Bulgaria	63,831	48,125	58,858	41,593
Hungary	72,550	64,463	96,356	61,446
Rumania	135,300	55,537	119,072	77,315
Yugoslavia	98,789	53,444	96,584	68,328
Total (4)	370,470	221,569	370,870	248,682
Total Europe(28)	1,434,707	1,490,008	1,749,345	1,515,943
Africa:				
Algeria	25,649	29,237	31,998	39,738
Morocco	29,783	27,970	28,902	31,232
Tunis	13,963	17,453	9,186	15,800
Egypt	46,073	52,586	39,951	37,277
Eritrea	29	52	110	132
Cyrenaica	31	2	31	129
Total (6)	115,528	127,300	110,178	124,308

Continued -

Table 1.- Wheat: Production in specified countries, 1931-32 to 1934-35 - Cont'd.

Country	1931-32	1932-33	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Asia:				
Palestine	2,927	1,877	1,633	3,270
Syria and Lebanon	14,209	9,849	12,033	14,550
India	347,424	336,896	352,763	349,365
Japan	30,892	31,336	38,611	45,577
Chosen	8,341	8,576	8,499	9,324
Turkey	104,946	71,135	81,904	88,551
Total (6)	508,739	459,669	495,443	510,637
Total N.Hemisphere(43)	3,328,746	3,275,484	3,165,792	2,932,713
Southern Hemisphere:				
Argentina	219,696	240,889	286,120	252,059
Australia	190,612	213,927	175,370	137,000
Union of South Africa	13,713	10,627	10,227	13,533
Total (3)	424,021	465,443	471,717	402,592
Total 46 countries	3,752,767	3,740,927	3,637,509	3,335,305
Estimated world production excluding Russia and China	3,854,000	3,811,000	3,722,000	3,420,000

1/ Not included in the totals.

Prices and World Trade

Wheat prices in the United States averaged about the same in November as in October. In the cash markets prices were slightly lower, whereas futures prices averaged slightly higher. In late October prices were at the lowest levels which had prevailed since July, but this was followed by a recovery which was apparently due in part to the pegging of prices on the Winnipeg Exchange and in part to the easing of the pressure of Argentine shipments. The maintenance of the improved level in the United States in the face of some further decline in Liverpool prices, which was not terminated until the latter part of November, appears to have been due to a combination of factors including reports of heavy feeding of wheat, serious deficiencies of moisture in the western Great Plains region and the rapidly rising prices of corn. With world shipments running at slightly higher levels than last year and the Southern Hemisphere crop apparently about 75,000,000 bushels below that of last year, prospects are for some strengthening of world prices during the next few months.

The United States average farm price of wheat in mid-November was 88.1 cents per bushel. A month earlier it was 88.5 cents, and in November 1933, 71.1 cents per bushel. At Kansas City, No. 2 Hard Winter declined from an October average of 102.2 cents to 101.8 cents for November; at Minneapolis No. 1 Dark Northern Spring declined from 114.9 to 114.0 cents and No. 2 Hard Amber Durum from 145.4 to 141.8 cents; while at St. Louis No. 2 Red Winter rose

from 99.5 to 100.9 cents. Futures prices, on the other hand, averaged higher in November than in October. Thus, Chicago December futures averaged 99.5 cents per bushel in November compared with 98.1 in October, while May futures averaged 98.5 compared with 98.1 cents in October.

At Liverpool, wheat prices continued downward through mid-November, a low point of 68-1/2 cents per bushel for the December contract being reached on the 21st and 23rd of November. At that time December futures at Liverpool were approximately 30 cents below December futures at Chicago. There was, however, much less difference between prices of other deliveries. At Chicago, after December and May futures had been selling at about the same prices for a considerable period, during the month of November May futures were lower than December futures. This of course, is a very unusual situation. At Liverpool, May futures have recently been in the vicinity of 8 to 10 cents above the December option while on November 23, when December futures at Chicago closed approximately 30 cents per bushel higher than the corresponding future at Liverpool, May futures in the same market were only about 20 cents above Liverpool.

If it should be possible to divert any large quantity of Canadian or other foreign wheat to feeding purposes in the United States, this would tend eventually to improve the world level of prices. If special measures were taken to remove surplus wheat from the Pacific Northwest at present price levels and make it available for feeding east of the Rockies, even large importations of wheat for feeding would probably not materially affect the relation between United States and world prices during the current season.

For over a month world shipments of wheat including flour, were running in the vicinity of 10,000,000 bushels weekly, however, for the week ended December 8, they dropped to only 8,322,000 bushels, and December 15 to 6,409,000 bushels. Total shipments for the season through December 15 have amounted to approximately 243,000,000 bushels compared with 237,000,000 bushels during the corresponding period of last year. Both Argentine and North American shipments have been ranging mostly between 3,000,000 and 4,000,000 bushels weekly. However, for the weeks ended December 8 and 15, American shipments declined to about 2,300,000 and 1,900,000 bushels, respectively, while Argentine shipments for the week of December 15 declined to 1,550,000 bushels. Australian shipments have been fluctuating between 1,000,000 and 3,000,000 bushels weekly. Shipments from other sources have been averaging about 1,000,000 bushels weekly.

Table 2.- Wheat: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	95	104	89	101	92	108	72	89	80	88	4/62	5/59
Low 3/	74	94	68	91	71	98	58	82	64	77	4/52	5/53
Nov. 24	86	99	80	96	82	104	67	85	74	79	4/59	4/55
Dec. 1	84	100	77	97	80	105	63	85	71	79	4/53	6/57
8	88	103	80	100	82	108	65	86	70	81	4/53	6/59
15	85	101	78	98	81	106	63	84	68	79	52	6/57

1/ Conversions at noon buying rate of exchange.
2/ Prices are of day previous to other prices.
3/ October 1 to date; Buenos Aires November 1 to date.
4/ February futures.
5/ February and March futures.
6/ March futures.

Table 3.- Wheat: Weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 1/ Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 2/	
	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934	1933	1934
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High 3/	90	116	87	107	91	117	104	149	92	105	77	87
Low 3/	83	111	75	99	79	113	91	136	76	98	66	82
Nov. 24	87	114	84	103	87	113	101	143	88	101	75	84
Dec. 1	84	115	80	103	86	114	94	139	87	101	74	82
8	83	113	81	107	84	117	97	138	88	105	74	84
15	84	111	82	106	84	118	99	136	87	104	72	

1/ Hard Amber Durum 1934.
2/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.
3/ October 1 to date.

Table 4.- Wheat: Price per bushel at specified markets, in terms of United States currency, by weeks, October - December

Week ended	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/7/	Paris 6/	Milan 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Oct. 6	102.3	115.3	73.6	55.8	72.8	67.1	218	200	203
13	102.5	115.5	76.0	56.8	75.1	65.7	218	200	202
20	104.4	115.7	73.8	55.6	73.5	66.2	219	201	206
27	100.9	114.4	72.3	55.0	72.4	66.5	217	199	204
Nov. 3	99.4	113.5	72.2	54.0	74.4	65.6	-	-	209
10	100.6	115.1	75.4	54.6	75.8	65.8	219	201	205
17	102.4	114.2	75.6	53.8	72.0	65.8	219	201	207
24	102.9	112.7	74.7	53.0	69.7	65.7	219	201	211
Dec. 1	103.2	113.6	74.8	55.1	70.8		219	201	
8	107.5	117.3	75.5	57.2	71.8				
15	105.5	118.4	73.8		71.0				

Prices are averages of daily prices for weeks ending Saturday except as follows: Great Britain prices of home-grown wheat are averages for the week ending Saturday; Berlin, Paris, and Milan prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin, Paris, and Milan are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter
2/ No. 1 Dark Northern Spring
3/ No. 3 Manitoba Northern
4/ Near futures
5/ Home-grown wheat in England and Wales
6/ Domestic
7/ Central German wheat, wholesale trade price free Central German station.

Current Wheat Stocks in the United States

Estimated stocks of wheat in the United States October 1 in various positions are as follows:

	Million bushels
On farms 1/	234.3
Country mills and elevators 2/	38.8
Commercial stocks 2/	120.1
In mills and stored for others 3/	126.6
In transit to merchant mills 3/	18.7
Estimated stocks on October 1	588.5

1/ Based on returns to the Bureau from crop reporters.
2/ Bureau of Agricultural Economics.
3/ Bureau of Census figures raised to represent all merchant mills.

During the period July 1 to October 1 we imported about 3,200,000 bushels, practically all of which was durum, and exported about 2,700,000 bushels, most of which was white wheat. Total disappearance during the period is estimated at about 201,000,000 bushels.

Stocks from October 1 to December 1 are estimated to be further reduced by about 103,000,000 bushels, resulting in stocks on December 1 of around 435,000,000 bushels. During the period October 1 to December 1 we imported over 3,000,000 bushels, probably over half of which was hard red spring, mostly of low quality coming in at the 10 percent ad valorem rate. Exports in the form of wheat in the same period were negligible, being only about 200,000 bushels.

December 1 stocks are estimated to be made up of about 190,000,000 bushels of hard red winter, 115,000,000 bushels of soft red winter, 102,000,000 bushels of hard spring, 62,000,000 bushels of white and 16,000,000 bushels of durum.

The Quality of United States Wheat Production for 1934-35

The quality of the 1934-35 wheat production in the United States, based on inspected receipts at representative markets 1/, is generally very high.

Hard Red Winter wheat- The 1934 crop of hard red winter wheat averages high in quality although test weight per bushel is slightly lower than it was for the 1933 crop. Moisture content is relatively low and only 3 percent of the inspected receipts, July through September, graded "Light Smutty" or "Smutty". Fifty-four percent of these inspected receipts classified as Dark Hard Winter and 46 percent as Hard Winter, with no inspected receipts of Yellow Hard Winter. Eighty-one percent of the inspected receipts of Hard Red Winter wheat graded No. 2 or better, and only 4 percent lower than No. 3. The average protein content of the crop is slightly above that of the 1933 crop. The wheat tested at Kansas City during the first 4 months of the current season averaged 13.90 percent protein compared with 13.26 percent during the corresponding period last year. The principal grading factor in the 1934 crop is test-weight per bushel.

Hard Red Spring wheat- In spite of the drought that prevailed in the spring wheat area, the 1934 crop of Hard Red Spring wheat is of unusually high quality. Ninety-nine percent of the inspected receipts, August through October, were classified in the superior subclass Dark Northern Spring, 65 percent graded No. 1 and No. 1 heavy, and 83 percent graded No. 2 or better. Only 4 percent of the receipts graded lower than No. 3. The crop as a whole is exceptionally low in moisture content, and only 2 percent of the first quarter's receipts contained sufficient smut to grade "Light Smutty" or "Smutty". An unusual feature of the 1934 crop of Hard Red Spring wheat is that in spite of the drought the test weight per bushel is average or even slightly better than average, although not quite as high as that of the 1933 crop, which was exceptionally high. Early season data with respect to the protein content of the 1934 crop indicate that it is not less than that of the 1933 crop which averaged 14.5 percent according to Minneapolis tests.

1/ Summary report by Grain Division, Bureau of Agricultural Economics, dated November 21, 1934.

Durum wheat- Although the 1934 crop of durum wheat is exceptionally small, the quality is exceptionally high. Ninety-eight percent of the inspected receipts August through October graded in the superior sub-class Hard Amber Durum and 97 percent graded No. 2 or better. Only 1 percent graded lower than No. 3 and only 2 percent contained sufficient smut to grade "Light Smutty" or "Smutty". The moisture content of the crop is exceptionally low, and only 1 percent of the first quarter's receipts contained more than 14½ percent moisture.

Soft Red Winter wheat- The 1934 crop of Soft Red Winter wheat produced east of the Rocky Mountains is of relatively high quality, although in the Central States test-weight per bushel is slightly lower than that of the 1933 crop. In the Eastern States, however, test-weight per bushel of the 1934 crop is higher than it was in the 1933 crop. Seventy-four percent of the inspected receipts for the first quarter of the crop year graded No. 2 or better and only 8 percent graded lower than No. 3. The moisture content of the 1934 crop is slightly higher than that of the 1933 crop, which had an exceptionally low moisture content. Only 9 percent, however, of the 1934 inspected receipts, July through September contained more than 14 percent of moisture and graded "Tough". Only 5 percent of these receipts were sufficiently smutty to grade either "Light Smutty" or "Smutty". Twenty-six percent of these receipts graded "Light Garlicky" or "Garlicky". The crop contains less smutty and garlicky wheat than the 1933 crop and materially less foreign material.

White wheat- The 1934 crop of White wheat is of relatively high quality. Forty-five percent of the inspected receipts, July through September, classified as Hard White, 29 percent as Soft White, 21 percent as White Club, and 5 percent as Western White. Data for this year's crop bring out the interesting fact that about 81 percent of the White wheat which graded Western White under the official standards in effect prior to July 2, 1934, classified as White Club under the revised standards that were made effective for this year's crop. Receipts of White Club wheat inspected under the revised standards comprise approximately 21 percent of the total receipts of White wheat. Eighty-six percent of the first quarter's receipts of White wheat graded No. 2 or better and only 2 percent graded lower than No. 3. The test-weight per bushel of the 1934 crop is slightly higher than that of the 1933 crop. Smutty wheat in all classes of White wheat decreased from 22.7 percent of the receipts in 1933 to 18 percent of the 1934 receipts. Smut is far less prevalent in wheat of the sub-class Hard White this season than in 1933, the decrease being from 18.6 percent to 10.8 percent. The principal grading factor in the 1934 crop is that of test-weight per bushel.

The Adequacy of United States Wheat Supplies for 1934-35

When the adequacy of supplies and the prospective utilization of wheat are considered by classes and regions, it appears that we are likely to import about 11,000,000 bushels of durum and possibly as much as 8,000,000 bushels of Hard Red Spring wheat east of the Rockies for milling and seed purposes. Each of the classes of our domestically produced wheat is of generally high quality this year, and such durum and Hard Red Spring as we have will be used primarily for milling and seed and considerable quantities of winter wheat will be used as a substitute for such wheats, especially Hard Red Spring.

Table 5.-Wheat: Estimated supplies and utilization, United States, 1934-35

Item	Winter wheat		Spring wheat		All white	Total all wheat
	Hard red	Soft red	Hard red	Durum		
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
July 1 stocks	133	37	78	8½	33	290
Production	201	168	54	7½	66	496
Total supplies	334	205	132	16	99	786
Domestic utilization ..	283	185	90	22	75	655
Available for carry-over or export	51	20	42	-6	24	131
Carry-over (Minimum) ..	40	15	50	5	15	125
Surplus or deficit ...	+11	+ 5	- 8	-11	+ 9	+ 6

Table 5 shows total supplies this year of 786,000,000 bushels made up of July 1 estimated stocks of 290,000,000 bushels and estimated production of 496,000,000 bushels. Ordinarily our normal utilization amounts to only about 625,000,000 bushels while our carry-over prior to the time we began to pile up lard surplus stocks amounted to only about 125,000,000 bushels. This year, however, because of short supplies of feed grains, necessitating the feeding of greater amounts of wheat, assuming no large imports of low quality wheat for feed, it is likely that we may utilize around 655,000,000 bushels. Such a utilization together with a 125,000,000 bushel carry-over still leaves some small surplus of wheat in the United States, not considering supplies by classes and regions.

In the table it is assumed that our millings will amount to between 490,000,000 and 500,000,000 bushels, seed about 78,000,000 bushels and feed between 80,000,000 and 90,000,000 bushels. The difference between the 655,000,000 shown as likely utilization and the 625,000,000 considered as about normal constitutes the excess expected to be fed this year over the usual. Ordinarily about 40,000,000 to 50,000,000 bushels are used for feed.

When the adequacy of supplies to meet expected utilization of wheat by classes and regions is considered, shortages in Durum and Hard Red Spring become apparent. While the table indicates a shortage of about 8,000,000 bushels of Hard Red Spring much less might actually be imported for milling purposes, if there is greater substitution of Hard Red Winter for Hard Spring than is expected or in the event that the carry-over of Hard Spring wheat on July 1, 1935 is reduced materially below 50,000,000 bushels. While Hard Red Winter can be substituted in many cases for Hard Red Spring, a substitution of Hard Red Winter for Durum is less satisfactory. Assuming a utilization this year of about 22,000,000 bushels of Durum and a minimum carry-over of around 5,000,000 bushels July 1, 1935, we may possibly import around 11,000,000 bushels of durum.

It appears that there is a possible surplus of about 9,000,000 bushels of White wheat. This is located in the Pacific Northwest and could be moved to deficiency areas. However, in view of the fact that the carry-over figure shown is a bare minimum, all of the 9,000,000 bushels might not need to be

moved. In order to remove the surplus and to preserve a fair price relationship with other wheats, it has recently been announced that the Department may assist in financing a reasonable movement of such wheat from the Pacific Northwest into drought areas for feed purposes provided that railroads will make substantial reductions in rates. In case rail rates are not reduced on such shipments there is still a possibility that wheat will be moved by water to Atlantic and Gulf ports for feed. According to the announcement it would be necessary to have this wheat cracked for feed purposes.

The 11,000,000 bushels of Hard Red Winter shown in the table as a surplus over a minimum carry-over may be greatly reduced in the event of heavier feeding or in case of greater substitution for hard spring wheat than is now expected. A small surplus of Soft Red Winter wheat is also indicated, but the actual carry-over might well be in excess of the minimum.

It appears probable that Canada will have supplies in excess of her own needs to meet our durum deficit situation. According to unofficial reports Durum production in Manitoba, Saskatchewan and Alberta is estimated at about 11,000,000 bushels. Assuming Canadian requirements to be 1,000,000 bushels for seed, 500,000 bushels for grinding and 500,000 bushels for feed, a total of about 9,000,000 bushels would be available for export out of this year's production. Reductions in port stocks at Fort William and Port Arthur at the close of the year compared with the beginning might easily make available an additional 2,000,000 bushels, which is not unlikely under a situation of relatively high prices for durum. This would assure a total supply sufficient to meet our apparent deficit.

In the event that large quantities of low-grade wheat should be imported into the United States for feeding purposes, imports of Hard Red Spring wheat would be correspondingly increased, while the feeding of domestic wheat would be decreased although to a smaller degree.

Wheat Imports During the Current Season

Wheat imports into the United States during the period July 1 to December 8, on which duty has been paid, total 6,380,000 bushels, as indicated in Table 6. Of this amount 4,694,000 bushels were imported at the 42-cent rate and 1,686,000 as "wheat unfit for human consumption" at the 10 percent ad valorem rate. During this same period the United States exports totaled about 6,500,000 bushels of domestic wheat including flour. Although such exports this year continue to lead our milling seed wheat imports, ordinarily we do not import significant amounts for consumption, there being little of such wheat brought in since 1923-24. Total duty-paid imports even last year, July to June, were only 149,000 bushels.

The figures on imports in the table are from records of the Bureau of Foreign and Domestic Commerce. Canadian inspections for export to the United States and trade reports indicate additional amounts which apparently had not been released from custom's custody by December 8.

The imports this year have been largely of two kinds. Durum wheat has come in because our extremely short Durum crop which together with our carry-over is less than our domestic seed and milling needs. Over 3,500,000 bushels of such wheat were brought in from Canada in September and October. Recently, wheat for feeding purposes has been imported in considerable

quantities to offset in part our shortage of feed grains. This wheat is being imported at the 10 percent ad valorem rate of duty levied under the provision of the tariff as "unfit for human consumption". Low grade Canadian wheat imported at this rate provides a feed much cheaper than corn. Recently the lowest grades of rejected and smutty wheats have been selling at Winnipeg for only about 60 cents per bushel, whereas at Chicago No. 3 Yellow corn averaged 96.6 cents during the week ending December 8.

Only relatively small amounts of wheat appear to be available for importation as unfit for human consumption, however. During the months August to October, only about one-quarter of one percent of the Canadian wheat was classed as rejected and feed wheats, respectively, and that proportion of the total crop would amount to only about 1,300,000 bushels. A somewhat larger proportion of the crop has been falling in the lower grades recently, however, and on the basis of the October inspections approximately 760,000 bushels of the crop would be classed as rejected, and 1,400,000 as feed wheat. Applying the percentages of inspections for the month of October to the total crop, less than 4,000,000 bushels are to be classed as sample, rejected, feed and smutty.

Table 6.-Wheat: Imports for milling in bond and export and for domestic consumption, January 1, 1933 to November 10, 1934

Month	Imported from		Total	Bonded for grinding (For export)	Duty paid (For United States consumption)	
	Canada	Other countries		Milling wheat 1/	Milling and seed wheat 3/	Feed wheat 4/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	721	0	721	719	2	0
Aug.	1,452	0	1,452	1,020	432	0
Sept.	3,765	0	3,789	986	2,779	24
Oct.	2,335	0	2,401	1,248	1,087	66
Nov. 5/.....	2,474	9	2,483	895	344	1,244
Dec. 1-8 5/ .			660	258	50	352
Total July-Dec. 8 5/6/.			11,506	5,126	4,694	1,686

Foreign Agricultural Service Division. Compiled from official records of the Bureau of Foreign and Domestic Commerce.

1/ Includes wheat for grinding in bond for export which enters duty free, also wheat ground into flour for export to Cuba upon which a small compensating duty is paid.

2/ Less than 500 bushels.

3/ Tariff of 42 cents per bushel.

4/ Tariff of 10 percent ad valorem.

5/ Preliminary.

6/ Revised figures July 1 - December 8 (received December 27): Total 11,193,000, milling-in-bond 5,087,000, 42 cent tariff 4,523,000, and 10 percent tariff 1,583,000 bushels.

In order for large importations of feed wheat to be made, it appears that it would be necessary to admit frosted or other low quality wheat duty free under the President's proclamation of August 10 or to provide for the admission under the 10 percent ad valorem rate of wheat stained or otherwise made unfit for human consumption.

Condition and Acreage of Fall-sown Grain 1/

United States

The acreage of winter wheat seeded in the fall of 1934 for harvest in 1935 is estimated at 44,306,000 acres by the Government Crop Reporting Board. This is 5.9 percent more than the revised estimate of acreage seeded in the fall of 1933 of 41,850,000 acres and 3.8 percent more than the revised estimate of acreage seeded in the fall of 1932 of 42,669,000 acres. An increase of about 6 percent over the 1933 seedings is shown in the important winter wheat States of the Great Plains area. In the 1934 drought area, where forage and pasture were severely reduced by drought in 1934, some of the increase in fall seeding is probably attributable to seeding for fall and winter pasture. In some of the States in which both winter and spring wheat are seeded in the same general areas, there appears to be a tendency to expand winter wheat acreage, which, if carried through the winter, would lead to a reduction in spring wheat seedings in the spring of 1935.

The condition of winter wheat on December 1 was reported at 77.8 percent of normal compared with a condition of 74.3 percent on the same date in 1933 and the 10-year (1923-1932) average December 1 condition of 82.4 percent. While conditions have been favorable east of the Mississippi River and in the more eastern part of the Great Plains States, dry soil conditions still continue in the western part of those States from Kansas to Texas. The condition of the crop on December 1 indicates that abandonment of winter wheat will again be above average. Based upon past relationships, it appears that the abandonment of the 1934 seedings will be in the neighborhood of 18 percent. Abandonment of the 1933 seedings was 21.3 percent and the 10-year (1922-1931) average abandonment is 12.2 percent. A comparatively low yield per acre is also indicated by the condition and corollary weather studies which indicate a winter wheat production to be harvested in 1935 of about 475,000,000 bushels. The 1933 crop was 405,034,000 bushels, and the 5-year (1927-1931) average production was 632,061,000 bushels.

The area of rye sown for all purposes in the fall of 1934 is estimated at 5,697,000 acres, which is an increase of 13.3 percent over the 5,027,000 acres, which is an increase of 13.3 percent over the 5,027,000 acres sown in the fall of 1933. A marked expansion in seeded acreage occurred in the Corn Belt States except the Dakotas. Ordinarily only about 60 percent of the seeded acreage of rye is harvested for grain, the remainder being utilized for hay, pasture or turned under as a soil improvement crop. Much of the increased acreage seeded this fall was probably seeded for use as fall and early spring pasture. The condition of rye on December 1 is report-

1/ Based on reports from Donald F. Christy, Assistant Agricultural Attache, Berlin, Germany, November 28, L. D. Mallory, Assistant Agricultural Attache, Paris, France, November 21, Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia, November 21, 1934, and O. L. Dawson, Agricultural Commissioner, Shanghai, China, November 23, 1934.

ed at 80.4 percent of normal as compared with the very low condition of 69.9 percent on December 1, 1933 and the 10-year (1923-1932) average of 84.9 percent.

Central European countries

Germany - The weather has been favorable for fall sowings, and the condition of fall-sown crops is probably better than a year ago. This is particularly true in southern and western Germany, but conditions are not quite so favorable in East Prussia and central Germany. The acreage sown to winter wheat and rye this year is probably not greatly different from that of last year.

Poland - The condition of fall-sown crops in Poland is above average, and also above last year, with conditions apparently the best in the southern part of the country.

Czechoslovakia - Conditions of fall-sown crops in Czechoslovakia are also reported to be better than last year, with the best conditions prevailing in Moravia which contains, roughly, one fourth of the winter grain area. The Government hopes to effect a reduction of about 247,000 acres in the grain acreage during the next year or two, and it is believed that the acreage sown to winter rye this fall is less than was sown last year. Growers have been warned that any increase in acreage would result in lower prices for next year's crop.

Austria - Weather conditions have been favorable for fall sowings in Austria, but in the report dated November it was stated that colder weather was desired in order to check further growth. The condition of fall-sown crops is said to be better than last year.

Western Mediterranean countries

Italy - It is believed that for the Kingdom as a whole, the grain crop is in good shape.

France - Fall sowings in France were completed in the first half of November and it is stated that the area is at least equal to, and perhaps exceeds that, of last year. The sown area together with good conditions of growth provides a basis for another large crop in France in 1935. General rains have continued throughout most of France and subsoil moisture reserves are thought to be ample. The first sproutings are vigorous and of good appearance. Soil preparation is said by trade reports to have been good.

Spain and Portugal - Good rains at the beginning of November were reported. These continued for some time but during the third week of the month abated somewhat and permitted sowings in some areas to continue. Early sowings are in fair shape, even though some losses occurred from drought in October. Some farmers who delayed seeding hoping for proper soil moisture now find their heavy soils are too wet to work. It seems that the country has had sufficient humidity for germination.

No information is available from Portugal, but rainfall has been general over western Europe and western North Africa and it is to be supposed that Portugal also benefited.

Morocco - The lack of moisture up to the beginning of November has been amply made up by rains since and data of the Weather Bureau shows that the first decade of November was in general equal to that of last year, which was above normal. Since the 10th of the month they have had further heavy falls which stopped field work in the Meknes and Fez regions for a time. Seeding is in progress and going forward rapidly.

Algeria - Up to the middle of November moisture was still somewhat short although rain at the beginning of the month did much to improve conditions and permit seeding. The Departments of Constantine and Algiers are in fair shape but in the Western Department of Oran further rain is needed. Conditions in general are about average and work is going forward at a normal pace.

Tunisia - Rainfall in October was good throughout the regency. The northern cereal area has had an abundance and the south, which generally lacks sufficient moisture, has had fair quantities. Southern sowings are very extensive for this time of the year.

Danube Basin countries - As a result of favorable weather conditions that prevailed during planting time, fall seedings this year were practically completed by the middle of November, whereas in other years seedings in some of the Danubian countries are continued until Christmas. In some southern sections early-sown wheat made excessive growth, which was stopped only on November 20, when cold weather set in. No serious insect damage has been reported. Field mice, however, have become numerous in some districts, where steps have been taken to destroy them. Some rust appeared about the middle of November as a result of continued warm weather.

Although no numerical data are available as yet, it is generally believed that this year's winter wheat acreage will be in excess of last year's, both on account of the favorable weather conditions and as a result of relatively high prices maintained by Government organizations in all Danubian countries. The Danube Basin Foreign Office estimates that the extension of wheat acreage due to these two factors will be about 3 to 5 percent in Bulgaria, Hungary and Yugoslavia. In Rumania, however, it may reach as much as 20 percent, since the difference between wheat prices and the price of other grains has been exceptionally large during the fall of 1934 in that country, and the 6,178,000 acres of winter wheat acreage sown in the fall of 1933 was considerably below normal. The Rumanian Ministry of Agriculture estimates that wheat sowings this fall will be in excess of 7,000,000 acres, although still not reaching the post-war record acreage of 7,863,000 acres planted in the fall of 1930.

Russia

Fall sowings seem to have progressed satisfactorily this year with 89,047,000 acres or 96 percent of the plan sown by November 5. This is 1,695,000 acres more than were sown at the same time a year ago. The final sowings will probably not differ greatly from the above figure. Reports indicate that sowings were somewhat more timely this year. In Ukraine, for example, August and September sowings were reported to exceed last year's sowings during the same period by 7,000,000 acres. Similar progress is reported in North Caucasus where about 6,200,000 acres were sown in August and September. Scattered reports indicate that fall sowings are in good condition but it is impossible to obtain a complete picture.

Fallow plowing this fall also shows an improvement. The acreage plowed for fallow up to November 15 was 96,725,000 acres, or about 42 percent above last year. The assembling of seeds, however, which is placed second only to the timely execution of grain deliveries, is not progressing so well. There are many complaints both as to the quantity and the quality of the seeds. It is not improbable that many sections will experience a seed shortage next spring. The germinating capacity of the seeds was apparently damaged by the rainy autumn and also by early frosts in the East. In many cases it is necessary to carefully clean and test the seeds and dry them before storing.

China

The weather was generally favorable for the sowing of winter wheat in China. Rainfall in North China during September and October was above average, and the crop is said to be in good condition. In some sections of the Yangtze Valley the acreage sown is placed above that of 1933.

New Regulations in Germany 1/

The new regulations, compelling farmers to deliver their grain, provide that by December 31, 1934, wheat deliveries must constitute 50 percent and rye 60 percent of the respective annual contingents. The new regulations also provide that a contingent shall be given to each farm which has more than 12 acres of cultivated land. During the first 3 months of 1933 an additional 25 percent of wheat is to be delivered. From April 1 to June 30, 1935, the remaining 25 percent of the wheat contingent and the remaining 15 percent of the rye contingent must be delivered. It should be noted also that the delivery obligations of wheat up to the end of December this year must not be exceeded. Wheat deliveries so far have been plentiful, but rye deliveries have been very disappointing, due probably to the tendency to feed the rye to hogs, prices of which are considered high in comparison with grain prices.

The actual amounts of grain called for under the delivery contingents cannot be estimated. Formerly, these amounts were based on a percentage of last year's deliveries, but under the new regulations the contingents are allotted to each individual farm and in accordance with the conditions prevailing on each farm this year. This was especially necessary in those districts where crops were seriously reduced by the drought. All contingents are secret.

The Government has also found it necessary to take further measures toward increasing feed supplies. These include the extension of duty-free entry to various additional feedstuffs, provided these are imported by one of the Government control offices. The corn monopoly, moreover, has reduced the price of corn. The previous system of fixed monopoly-selling prices has been replaced by the introduction of a uniform "difference amount" between the purchase and sales prices of the monopoly. Beginning with November 16, this "difference" has been set at 66 cents per bushel. The new measures have resulted in a reduction in the price of corn to feeders by from 10 to 20 percent.

1/Reported by Donald F. Christy, Asst. Agrl. Attache, Berlin, Germany.

An additional measure, which affects the entire field of both agriculture and industry, was the appointment on November 5 of a commissioner for price supervision. The commissioner selected is Dr. Goerdeler, who served in the same capacity in the Brüning Government. The commission is given complete powers to fix and regulate prices and price-spreads, and he is responsible only to the Chancellor. The appointment of the new price commissioner must be considered a measure of considerable political significance as it removes from the hands of the Reichanahrstand the former prerogative of price control and insures that future price regulations will not be so strongly influenced by the demands of agricultural interests.

The Continental European Wheat Market Situation during November 1/

With the Governments of each country taking a more or less direct hand in regulating the market or the price of wheat there is little of interest in the way of market developments. The domestic market of Italy has a firm tone, as is to be expected, since this year home grown supplies are short of needs. In France new measures for the alleviation of the market through removal of supplies are expected to be issued. Activity in other countries is nominal.

Despite the addition of France to the list of wheat exporters, continental takings of overseas wheat this season are expected to be substantially larger than last year. Stocks of wheat in France, Sweden, and some of the Baltic countries are still excessive, and there was a large carry-over of old crop wheat in Germany. Production of wheat on the Continent this year, however, was very much less than a year ago, particularly if Spain is omitted, and it is becoming more apparent each day that large supplies of overseas wheat will be required. Even Poland, a heavy exporter of grain to date, may later find it necessary to import some wheat.

Germany

The German grain situation in November continued to be characterized by relatively abundant supplies of wheat, but a scarcity of rye and feedstuffs. This situation was improved, however, by the new compulsory grain delivery obligations.

There was a very apparent scarcity of feedstuffs in November and it is generally believed that official estimates of the supplies of these feedstuffs are too optimistic. This seems to be borne out by the action of the Government itself which is leaving no stone unturned in its efforts to obtain foreign feedstuffs, preference being given of course, to those supplies that can be obtained without the use of foreign exchange.

There are several interesting things to be pointed out in connection with the foreign trade statistics now available for the months of August and October. This year, 520,000 short tons of feed grains were imported during that period, compared with only 126,000 short tons during the same period of last year, and 209,000 short tons 2 years ago. In addition, there has been a net import of 3,932,000 bushels of wheat for the 3 months

1/ Based on reports from Donald F. Christy, Assistant Agricultural Attache, Berlin, Germany, November 28, L. D. Mallory, Assistant Agricultural Attache, Paris, France, November 23, and Louis G. Michael, Agricultural Attache, Belgrade, Yugoslavia, November 21, 1934. All price quotations have been converted at current rates of exchange.

August to October this year. During this period last year there was an export surplus of 2,753,000 bushels, and 2 years ago 1,852,000 bushels. The above changes are the result of a complete stoppage of exports which are at present prohibited as gross imports so far this year have been lower than for the same period during either of the last 2 years.

Imports of wheat in October were apparently largely at the instance of the Reich Grain Office, as a considerable share came in duty free. It is however, interesting to note that 25 percent of the October wheat imports came in at the high autonomous duty of 27 cents per bushel. This resulted in the order of October 22, whereby the autonomous duty on wheat was increased to 38 cents per bushel. Canada continued to be the largest supplier of German wheat imports, but some wheats have recently been imported from countries with which Germany has clearing agreements. This permitted the entry of a small amount of French wheat.

Germany's efforts to obtain grain supplies from countries with which she has clearing agreements resulted in the purchase of about 625,000 bushels of wheat from Turkey. It is also known that Germany is negotiating with Poland for the delivery of a considerable quantity of rye, reported to be 3,900,000 bushels, to be used for feeding purposes. Payment for the latter would be made through the transfer to Poland of German claims against the Soviet Union.

Italy

Italian market reviews state that conditions have bettered. Holdings are somewhat firm, providing a stronger tone and while transactions have been limited, prices show a tendency to increase, particularly on the better grades. The market outlook in Italy is optimistic, and as present supplies are progressively consumed, an increase in demand is expected.

The durum wheat market has been inactive, but prices remain firm. Foreign wheats remain untouched. So far this season, Italy has been consuming stocks on hand and new crop wheat. The expected increase in Durum imports has not yet taken place, total imports from July 1 to October 1 are given as 2,583,000 bushels, compared with 659,000 bushels for the same period in 1933.

France

There were no new developments in November on the French wheat market other than the issuance of a number of decrees concerning the method of delivering wheat to mills, of receiving permission to denature wheat and the proper chemical composition of lampblack used in denaturing, etc. Wheat continues under the regime of fixed prices, with grain admittedly being sold lower than the Government rate. Activity in exports at the close of November was quiet and it is said that the 12,880,000 bushels authorized for exports have either left the country or have been committed.

Holland and Belgium

The first part of November was characterized by rising prices of overseas wheat, and both Holland and Belgium purchased large quantities of the Argentine grain during this period. Purchases of Manitoba, however, were restricted as a result of its relatively high price. Business during the second half of the month was more quiet.

Greece

As a result of dull international markets, the price of imported wheat decreased again at the beginning of November. Wheat prices on the Pireus Exchange averaged 73 cents per bushel in October and were 71 cents on November 17. Imports of wheat into Greece were 327,000 bushels in July and 1,113,000 bushels in August.

Czechoslovakia

Wheat trading in Czechoslovakia was confined largely to better quality wheats. Flour sales by mills were reported to be slow. Sales of rye flour were also unsatisfactory and the demand for rye was disappointing. Flour mills are apparently still well supplied with rye which they are forced to take over from the Grain Monopoly. The Grain Monopoly recently reported transactions up to October 1934 consisting of 11,683,000 bushels of wheat purchases with 5,695,000 bushels of sales, and 4,978,000 bushels of rye purchases with 2,190,000 bushels of sales. Stocks of wheat October 31 were reported at 5,968,000 bushels and rye 2,788,000 bushels.

Imports requirements for the current season are now placed at about 15,000,000 bushels, a large share of which is expected to come from the Danube Basin. The Czechoslovakian Grain Monopoly has already obtained 3,700,000 bushels of wheat from Yugoslavia under a trade agreement, and additional purchases from that country are contemplated.

Austria

Wheat prices on the Vienna market were strong throughout November though trading was quiet and confined largely to domestic wheat. Austrian and Hungarian grain and flour mill interests have concluded an agreement whereby imports of Hungarian flour will continue. For the first time this year some business was done in Polish rye, which came in under a Government permit.

Private reports place import requirements of wheat at from 7,700,000 bushels to 9,600,000 bushels, of which 4,400,000 bushels have already been secured, mostly from Hungary. These estimates appear rather low. It is expected that the remainder will be obtained under existing clearing agreements with Yugoslavia and Argentina. Imports from the latter country are expected to be important from now on as they will provide a means of utilizing frozen Austrian credits in that country.

Effective November 14, 1934, the license fee on the importation of foreign feedstuffs has been increased to 26 cents per 100 pounds as compared with the former rate of 9 cents per 100 pounds. The products affected include bran, sugar beet pulp, oil-cakes and certain other feedstuffs. The license fee for corn, feed barley and oats, which was formerly 26 cents per 100 pounds, has been raised to 34 cents per 100 pounds. The increase in the import fees resulted in an immediate increase in prices of the products on the domestic markets.

Poland

Polish grain markets were weak during November, and prices declined almost to world levels. As the State Grain Office has indicated that it will shortly resume market-supporting purchases, the decline in prices resulted in reduced farm offerings.

Grain exports from Poland during the first several months of the present crop year have been surprisingly high, particularly in the case of rye. As Polish grain production this year is the smallest in the last 8 years, the continuation of the present rate of exports might well necessitate the importation of grains, particularly wheat, later on. Nevertheless, export bounties continue to be paid and amount at present to 31 cents per bushel for wheat, 29 cents for rye, 16 cents for oats and 25 cents for barley (6 Zlotys per 100 kilograms in each case), 86 cents per 100 pounds for flour containing no bran (10 Zlotys per 100 kilograms), and 69 cents per 100 pounds for other flour (8 Zlotys per 100 kilograms).

Latvia

Government purchases of grain up to the end of October amounted to 1,276,000 bushels of wheat and 1,030,000 bushels of rye, or about one fourth of the estimated quantity available for sale. Exports of rye amounted to 668,000 bushels, and 211,000 bushels of rye and 184,000 bushels of wheat were sold on domestic markets.

Turkey

Arrivals at the Istanbul market have considerably increased during the last few weeks on account of the completion of corn harvesting and fall seeding in Thrace. As a consequence, prices declined slightly. Stocks in warehouses are abundant, in spite of active exports, which from Istanbul alone reached almost 367,000 bushels during October, 202,000 bushels during the first week in November, and 441,000 bushels during the week ended November 10.

Danube Basin countries

As a result of the completion of corn harvesting and fall seeding, deliveries of wheat by farmers became abundant during November in all Danubian countries, except in Hungary. Government price stabilization agencies prevented, however, any downward tendency and prices remained unchanged.

The quantity of wheat available for export from the Danube Basin during the 1934-35 marketing year is still estimated to total about 30,000,000 bushels. Of this quantity, only about 8,000,000 bushels were exported between July 1 and November 30, 1934, of which November exports represent about 3,000,000 bushels. Such small exports this fall from a 30,000,000 bushel surplus were due to the coincidence of several factors, among which the most important were: French wheat dumping, early corn harvesting and wheat seeding, farmers' expectation of better prices later in the season, belated conclusion of barter agreements with wheat importing countries and the subsequent delay in establishing government wheat price stabilization schemes for the season, as well as the reluctance of importing countries to buy large quantities of foreign wheat as long as home-grown stocks were not exhausted. Although shipments during November have been accelerated for fear of an early beginning of winter followed by the suspension of river navigation, it is not believed that exports in volume will begin until next spring when navigation reopens and domestic stocks in importing countries are depleted.

Most of the November exports originated in Hungary and Yugoslavia. Hungarian wheat was exported mostly to Austria, and in smaller quantities to Italy, whereas Yugoslavia delivered wheat to Czechoslovakia and Germany.

The Bulgarian Government Grain Bureau has continued to buy good grade wheat at $1.27 per bushel. Between July 7 and October 21 a total of 6,996,000 bushels of wheat (60 lbs.), rye and maslin was delivered to that agency, from which 845,000 bushels were sold. Stocks on hand early in November totaled 5,313,000 bushels of wheat, 87,000 bushels of rye, and 46,000 bushels of maslin.

In Hungary prices continued to be in excess of the officially established minimum prices both in the domestic trade and for export to Austria on the basis of the Rome agreement. According to official information up to the 23rd of October 4,400,000 bushels of Hungarian wheat were sold to Austria on the basis of the above agreement, of which quantity 2,517,000 bushels were actually delivered up to that date. The prices paid for high grade Hungarian wheat bought on the basis of analyzed samples, were about 8 to 12 cents per bushel above the minimum prices provided for in the Rome agreement. This agreement covers 5,500,000 bushels of wheat and 562,000 barrels of flour to be purchased by Austria, as well as 7,000,000 bushels of wheat to be purchased by Italy from Hungary during the present marketing season. Of these 7,000,000 bushels, Italy must actually import 3,700,000 bushels, whereas the remainder may be sold abroad and Italy will pay the difference between the price obtained and the minimum price established by the agreement. Negotiations for the beginning of the flour deliveries to Austria and of wheat deliveries to Italy are reported to have been successfully concluded and deliveries begun.

In Rumania, the Government Wheat Commissioner continued to buy wheat at between $1.14 to $1.36 per bushel, according to quality. But it is rumored that on account of excessively large offers, the Commissioner is unable to buy all the wheat offered by farmers. This rumor is supported by the fact that the Commissioner issued warning on November 10, requesting farmers not to dliver all their wheat at one time, but uniformly during the marketing season. The quantity of wheat in the hands of the Wheat Commissioner late in October totalled about 5,500,000 bushels.

The Yugoslavian Privileged Export Company bought good grade wheat at 83 cents per bushel, loaded in barges, at the same time that the Novi-Sad Exchange parity was only about 78 cents per bushel. At present the Company is delivering wheat to Czechoslovakia in fulfillment of an earlier obtained quota for 2,200,000 bushels and to Germany on the basis of 625,000 bushels quota. About the middle of November, another parcel of 1,470,000 bushels was sold to the Czechoslovakian Grain Bureau.

Chinese Wheat Imports and Prices

A decrease in the demand for foreign wheat and flour is expected in China during the 1934-35 season as a result of the 1934 wheat crop being some 5 percent above that of 1933, which in turn was estimated fully 10 percent larger than the good harvest of 1932. The recent imposition of an export tax on silver, moreover, has resulted in a greater percentage increase in exchange rates than in local wheat and flour prices. Wheat import requirements for 1934-35 are estimated by the Shanghai office at approximately 17,778,000 bushels and flour requirements at 500,000 barrels, including government-loan flour purchases. In 1933-34 wheat imports amounted to 19,914,000 bushels and flour to 713,000 barrels, as compared with 45,462,000 bushels of wheat and 3,036,000 barrels of flour in 1932-33. Table 7 shows net imports of wheat by country of origin for the last 2 years and Table 8 the same for wheat flour. It is believed that a large part of the 1934-35 wheat imports into China will be from Argentina, since millers were pleased with the quality of the wheat received during the past season, and ocean freight rates favor Argentine shippers. European boats taking cargo to South America give reduced rates from there to China in order to secure soy beans in Dairen for their return trip to Europe.

Prices paid for native wheat this season are averaging above 1933-34. Good harvests of summer and fall crops in 1933 made food supplies abundant and cheap. Wheat prices were further depressed last year by the announcement of the Chinese wheat and flour loan from the United States just at the time of the wheat harvest. Chinese wheat buyers influenced farmers to accept lower prices by telling them that the Government was bringing in large quantities of United States wheat and flour. This season the drought during July and August in the Yangtze Valley, together with the protective duty in force, has tended to maintain a better price level for native wheat.

Table 7.- China: Net imports of wheat by country of origin, 1932-33 and 1933-34

Crop year	Argentina	Australia	Canada	United States	Others	Re-exports	Net imports
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1932-33 1/							
July-Sept.	-	2,328	536	2/	2	0	2,865
Oct.-Dec.	-	3,243	3,789	150	2/	0	7,183
Jan- Mar.	-	15,432	1,765	2/	2	2/	17,199
Apr.-June	1,777	14,708	1,723	2	5	2/	18,215
Total...	1,777	35,711	7,813	152	9	2/	45,462
1933-34							
July-Sept.	2,618	420	0	2/	1	0	3,039
Oct.-Dec.	544	288	83	2/	1	0	917
Jan.-Mar.	1,149	915	312	6,161	3/280	0	8,817
Apr.-June	2,418	353	0	4,370	1	0	7,141
Total...	6,729	1,976	395	10,531	283	0	19,914

Shanghai Office, Foreign Agricultural Service.

1/ Since July 1932, imports into Manchuria have not been included.

2/ Less than 500 bushels.

3/ Practically all Hungarian wheat.

Table 8.- China: Net imports of wheat flour, by country of origin, 1932-33 and 1933-34

Crop year	Australia	Canada	Hong-Kong	Japan	United States	Others	Re-exports	Net imports
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
1932-33 1/								
July-Sept.	26,474	15,739	10,835	211,491	298,197	1,378	1	564,113
Oct.-Dec.	209,921	20,021	8,049	184,987	198,186	4,366	51	725,479
Jan.-Mar.	362,376	17,253	10,071	178,551	216,301	6,465	68	790,949
Apr.-June	584,390	16,655	6,293	153,483	189,706	4,661	70	955,118
Total...	1,183,161	69,668	35,248	728,512	1,002,390	16,870	190	3,035,659
1933-34								
July-Sept.	29,227	16,584	2,223	5,471	146,415	1,978	28	201,870
Oct.-Dec.	73,719	29,799	298	19,067	129,824	1,013	37	253,683
Jan.-Mar.	53,130	23,715	226	342	63,758	211	0	141,382
Apr.-June	22,015	35,952	182	5,356	52,267	203	21	115,954
Total...	178,091	106,050	2,929	30,236	392,264	3,405	86	712,889

Shanghai Office, Foreign Agricultural Service.
1/ Since July 1932, imports into Manchuria have not been included.

The Oriental Wheat and Flour Market 1/

China

Wheat prices on the Shanghai market in mid-December were generally 2 to 4 cents higher than in mid-November. According to the cable report of December 14 wheat quotations, c.i.f. Shanghai duty included were as follows: Australia Victoria old crop 73-1/2 cents per bushel for immediate shipment and Australian new crop 80-1/4 cents per bushel for January shipment; Argentine new crop 78 cents for December shipments; domestic standard 73-1/2 cents for December delivery and 75-1/2 cents for January delivery. Shanghai flour 84-3/4 cents per bag of 49 pounds for December delivery, and 85 cents for January delivery. No quotation was received on Australian flour, but for the week ended December 7 Australian flour, c.i.f. Hongkong, was $2.67 per barrel of 196 pounds.

According to a cable dated December 21, Shanghai wheat continued firm and steady. No business was done, however, in foreign wheat during the week, it being the feeling among Shanghai millers that Southern Hemisphere wheat prices might go lower. Millers will require further purchases of foreign wheat for March and April delivery.

An official statement from Nanking on December 13 indicated that there would be no increase in import duty on wheat for the present time. The first shipment booked this season to arrive was imported from Australia the week of December 10. Imports of flour into China for October were reported as follows: United States 78,727 barrels, Australia 11,412 barrels, Canada 9,524 barrels, others 148, total 99,811 barrels. Imports of flour into Dairen for October as reported by the American Vice Consul were: Japan 691,000 bags, Australia 1,304,000 bags, Shanghai 36,000 bags and Chosen 12,000 bags, total 2,042,000 bags.

1/ Based on cabled reports from Agricultural Commissioner O. L. Dawson, Shanghai, China.

Shanghai mills were operating 60 percent capacity according to a December 21 report. Flour stocks at that time were 1,000,000 bags. Tientsin November flour statistics are as follows: production 186,000 barrels, imports Shanghai 257,750 barrels, American 38,000 barrels and Japan 750 barrels; total 296,500 barrels. Total stocks 344,000 barrels.

Japan

No imports of United States wheat into Japan are expected in the immediate future, according to information transmitted by the Shanghai Office of the Foreign Agricultural Service from Consul General Garrels at Tokyo. The domestic flour market was firm, with export demand strong, and mills were operating at full capacity.

Wheat prices at the mill in Tokyo on December 1 were quoted as follows (foreign quotations include duty and landing charges): Western White No. 2, $1.25 per bushel; Canadian No. 1, $1.26, No. 3, $1.15; Australian $.94; domestic standard, $.78 per bushel. Portland wheat, c.i.f. Yokohama, was 91 cents per bushel, duty and landing charges excluded. Wheat imports into Japan during October, with 1933 comparisons in parentheses, were reported as follows: United States 74,997 bushels (0), Canada 206,621 (301,325), Australia 1,168,947 (1,281,958), others 20,668 (1,032), total 1,471,233 bushels (1,584,315). Flour exports in October totaled 310,319 barrels of 196 pounds as compared with 338,675 barrels in October 1933.

Table 9.- Wheat: World supply, price and disappearance, 1921-22 to 1934-35

Year	Production: United States	Canada	Argentina	Australia	Europe 1/	All other 2/	World production 2/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1921-22	819	301	191	129	1,224	515	3,179
1922-23	847	400	196	109	1,045	606	3,203
1923-24	759	474	248	125	1,257	656	3,519
1924-25	840	262	191	165	1,058	610	3,126
1925-26	669	395	191	115	1,397	613	3,380
1926-27	834	407	230	161	1,216	647	3,495
1927-28	875	430	282	118	1,274	642	3,671
1928-29	913	567	349	160	1,410	594	3,993
1929-30	822	305	163	127	1,451	703	3,571
1930-31	890	421	232	214	1,360	733	3,850
1931-32 3/	932	321	220	191	1,436	754	3,854
1932-33 3/	746	443	241	214	1,492	675	3,811
1933-34 3/	529	270	286	175	1,751	711	3,722
1934-35 3/	496	275	252	137	1,516	744	3,420

Year	Shipments from Russia	Stocks accounted for July 1 4/	Total supply	Total disappearance	Average price per bushel: British parcels (simple average)	Average price per bushel: No. 2 Hard Winter at Kansas City (weighted average)
	Million bushels	Million bushels	Million bushels	Million bushels	Cents	Cents
1921-22	5/	309	3,488	3,195		120
1922-23	1	293	3,497	3,185	136	113
1923-24	21	312	3,852	3,505	121	105
1924-25	6/	347	3,473	3,191	179	135
1925-26	27	282	3,689	3,401	170	163
1926-27	49	288	3,832	3,496	164	135
1927-28	5	336	4,012	3,590	154	135
1928-29	6/	422	4,415	3,798	129	112
1929-30	7	617	4,195	3,612	131	120
1930-31	112	583	4,545	3,877	80	76
1931-32 3/	72	668	4,594	3,898	59	47
1932-33 3/	19	696	4,526	3,737	54	51
1933-34 3/	34	789	4,545	3,793	69	88
1934-35 3/		752				

1/Excludes Russia. 2/Excludes Russia and China. 3/Preliminary
4/Estimates of stocks represent carry-over in the United States and supplies available for export and carry-over in Argentina, Australia and Canada, the United Kingdom port stocks and supplies afloat.
5/Not available. 6/Less than 500,000 bushels.

Table 10.- Wheat, including flour: Shipments from principal exporting regions, specified dates, 1933-34 and 1934-35

Period	Argentina		Australia		Danube		North America	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 1 - July 28	14,140	14,676	8,728	7,648	0	113	14,296	13,192
July 29- Sept 1	16,434	19,716	8,904	9,288	0	248	20,568	21,144
Sept.2 - Sept.29	7,896	15,764	7,548	6,884	1,008	48	17,328	14,920
Sept.30- Oct. 27	4,772	13,100	4,012	8,012	2,832	32	21,136	16,016
Week ended -								
Nov. 3	1,388	1,964	1,424	3,224	1,176	0	4,224	3,400
10	928	4,200	1,220	2,808	528	56	5,272	4,232
17	836	3,972	1,408	1,200	576	56	5,440	3,176
24	396	3,832	820	2,252	384	0	5,704	3,360
Dec. 1	1,336	3,063	1,616	1,729	760	16	6,296	4,008
8	592	3,586	1,124	1,236	360	0	3,720	2,292
15	844	1,546	1,596	1,896	552	72	3,984	1,887
Total, July 1-Dec.15	49,592	85,419	38,400	46,177	8,176	640	107,968	87,627

Table 11. - United States: Exports of wheat and wheat including flour, by weeks, 1933-34 and 1934-35

Period	Wheat		Wheat flour		Wheat including flour	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July 1 - July 28	21	28	160	127	773	625
July 29 - Sept. 1	19	2,158	228	280	1,091	3,474
Sept. 2 - Sept.29	133	108	152	221	847	1,147
Sept.30 - Oct. 27	13	58	121	190	581	952
Week ended -						
Nov. 3	2	1	28	43	134	203
10	12	146	17	60	92	428
17	78	0	35	42	242	197
24	297	0	33	24	452	113
Dec. 1	543	0	52	48	787	226
8	385	1	56	79	648	372
15	1,240	0	53	57	1,489	268

Compiled from a weekly report of the Department of Commerce.

Table 12.- Wheat, including flour: Movement from principal exporting countries, 1931-32 to 1933-34

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1931-32	1932-33	1933-34	1932-33	1933-34	1934-35	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	135,797	41,211	37,002	19,102	6,132	10,125	Oct. 31
Canada	199,563	267,342	198,555	142,483	103,092	95,662	Nov. 30
Argentina	144,920	120,272	144,854	17,878	47,999	80,183	Nov. 30
Australia	155,451	148,552	86,509				
Russia	71,829	19,183	33,787				
Hungary	18,064	7,010	29,615	2,351	6,782	1,971	Sept. 30
Yugoslavia	15,369	1,162	835	423	68	429	Aug. 31
Rumania	37,481	179	248	140	9	0	Aug. 31
Bulgaria	11,795	3,144	4,769				
British India (L&S)	3,870	2,169	1/1,980	422	429	511	Aug. 31
Total	794,139	610,224	558,154				

Country	Shipments as given by trade sources						
	Total		Week ended			July 1-Dec. 15	
	1933-33	1933-34	Dec. 1	Dec. 8	Dec. 15	1933	1934
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America 2/	298,504	220,616	4,008	2,292	1,887	107,968	87,627
Canada, 4 markets 3/	255,257	194,213	8,826	4,785	1,816	116,460	129,402
United States	41,211	37,002	226	372	268	10,202	11,831
Argentina	115,412	140,128	3,063	3,586	1,546	49,592	85,419
Australia	153,400	90,736	1,729	1,236	1,896	38,400	46,177
Russia 4/	12,408	26,656	128	96	0	17,072	1,696
Danube and Bulgaria 4/	1,704	15,872	16	0	72	8,176	640
British India	5/2,169	1/1,980	0	0	0	0	304
Total 6/	588,597	495,988				221,208	221,863
Total European shipments 2/	448,672	401,560	7,238			7/ 178,184	7/ 175,944
Total ex-European shipments 2/	164,256	123,352	2,936			7/ 44,000	7/ 52,104

1/ Land trade not reported for March.
2/ Broomhall's Corn Trade News.
3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
4/ Black Sea shipments only.
5/ Total exports as given by official sources.
6/ Total of trade figures includes North America as reported by Broomhall's.
7/ December 1.

Table 13.- Wheat, including flour: Net imports into European countries, 1932-33 to 1934-35

Country	1932-33	1933-34	Net imports reported		
			July 1 to	1933-34	1934-35
	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	217	216	Oct. 31	76	70
France	39	18	Aug. 31	4	2
Belgium	41	41	Sept. 30	9	13
Netherlands	26	24	Oct. 31	14	6
Italy	13	8	Sept. 30	1	1
Greece	20	12	July 31	2	1/
Switzerland	19	18	Oct. 31	7	6
Irish Free State	2/ 18	2/ 19	Sept. 30	5	5
Germany	9	3/- 4	Oct. 31	3/- 1	5
Denmark	12	12	Oct. 31	5	5
Austria	13	11	Sept. 30	2	2
Czechoslovakia	7	4/	Oct. 31	1	4/
Norway	8	9	Oct. 31	3	3
Sweden	4	2	Oct. 31	1	4/
Spain	8	4/	Sept. 30	4/	4/
Finland	4	4	Sept. 30	1	1
Portugal	3	1	Aug. 31	1/	1/
Latvia	1/	0			
Estonia	1/	1/	Aug. 31	0	0
Poland	3/ - 1	3/ -1	Oct. 31	4/	3/-2
Total	460	390		130	117

Compiled from official sources.

1/ Less than 500,000 bushels.

2/ Total imports.

3/ Net exports.

4/ Net exports of less than 500,000 bushels.

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